NEW ISSUE - BOOK-ENTRY ONLY **Ratings: See "RATINGS" herein.**

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Authority, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (a) interest on the Series 2022 Senior Bonds 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"), except that no opinion is expressed as to such exclusion of interest on any Series 2022B Senior Bond for any period during which the Series 2022B Senior Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a "substantial user" of the facilities financed or refinanced with the proceeds of the Series 2022B Senior Bonds or a "related person," (b) interest on the Series 2022A Senior Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, (c) interest on the Series 2022B Senior Bonds is treated as a preference item in calculating the alternative minimum tax under the Code, and (d) for tax years beginning after December 31, 2022, interest on the Series 2022 Senior Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Bond Counsel is further of the opinion that, under existing statutes, the Series 2022 Senior Bonds and the interest thereon are exempt from taxation by the State of Tennessee or any county, municipality or taxing district thereof, except to the extent such interest may be included within the measure of privilege taxes imposed pursuant to the laws of the State of Tennessee. See "TAX MATTERS" herein.

BNA

$596,085,000
METROPOLITAN NASHVILLE AIRPORT AUTHORITY

$94,525,000	$501,560,000
Airport Improvement Revenue Bonds, Series 2022A (Non-AMT)	**Airport Improvement Revenue Bonds, Series 2022B (AMT)**

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

This Official Statement relates to the issuance by the Metropolitan Nashville Airport Authority (the "Authority") of $94,525,000 in aggregate principal amount of its Airport Improvement Revenue Bonds, Series 2022A (Non-AMT) (the "Series 2022A Senior Bonds"), and $501,560,000 in aggregate principal amount of its Airport Improvement Revenue Bonds, Series 2022B (AMT) (the "Series 2022B Senior Bonds," and together with the Series 2022A Senior Bonds, the "Series 2022 Senior Bonds"). Capitalized terms not defined on the cover of this Official Statement have the meanings ascribed to them in this Official Statement.

The Series 2022 Senior Bonds will be issued under and pursuant to Resolution No. 91-09 adopted by the Board of Commissioners of the Authority (the "Board") on August 15, 1991, as amended and supplemented from time to time (the "Master Senior Resolution"), and as particularly supplemented by that certain Twenty-First Supplemental Resolution, authorizing the issuance of the Series 2022 Senior Bonds, adopted by the Board on October 19, 2022 (the "Twenty-First Supplemental Senior Resolution," and together with the Master Senior Resolution, the "Senior Bond Resolution").

The Senior Bonds, including the Series 2022 Senior Bonds, are special limited obligations of the Authority equally and ratably secured by a pledge of and lien on the Net Revenues. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 SENIOR BONDS," "OUTSTANDING AUTHORITY OBLIGATIONS – Existing Senior Bonds" and "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION."

The Series 2022 Senior Bonds are being issued for the purposes of providing funds to: (a) pay and/or reimburse the Authority for a portion of the costs of certain elements of the Authority Capital Program; (b) pay a portion of the amount outstanding under the Note Purchase Agreement; (c) fund capitalized interest on the Series 2022 Senior Bonds; (d) fund a deposit to the Airport Improvement Bond Reserve Fund to meet the Airport Improvement Bond Reserve Fund Requirement; and (e) pay certain costs of issuance related to the Series 2022 Senior Bonds. See "PLAN OF FINANCE," "ESTIMATED SOURCES AND USES OF FUNDS" and "AUTHORITY CAPITAL PROGRAM."

The Series 2022 Senior Bonds are being issued as fully registered bonds in denominations of $5,000 or any integral multiple thereof and initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial ownership interests in the Series 2022 Senior Bonds will be made in book-entry form only and purchasers will not receive physical delivery of bond certificates representing the beneficial ownership interests in the Series 2022 Senior Bonds so purchased. Payments of principal of and interest on the Series 2022 Senior Bond will be made to Cede & Co., as nominee for DTC as registered owner of the Series 2022 Senior Bonds, by U.S. Bank Trust Company, National Association, as bond registrar and paying agent for the Series 2022 Senior Bonds, to be subsequently disbursed to the Beneficial Owners of the Series 2022 Senior Bonds. See "DESCRIPTION OF THE SERIES 2022 SENIOR BONDS – General" and "APPENDIX H – BOOK-ENTRY ONLY SYSTEM AND GLOBAL CLEARANCE PROCEDURES." For information on minimum unit sales for purchasers outside the United States, see "INFORMATION CONCERNING OFFERING RESTRICTIONS IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES."

Interest on the Series 2022 Senior Bonds will be payable semiannually on January 1 and July 1 of each year, commencing on July 1, 2023. The Series 2022 Senior Bonds will bear interest at the rates and will be payable as to principal in the amounts and on the dates set forth on the inside front cover of this Official Statement. See "DESCRIPTION OF THE SERIES 2022 SENIOR BONDS – General."

The Series 2022 Senior Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as more fully described under the caption "DESCRIPTION OF THE SERIES 2022 SENIOR BONDS – Redemption Provisions."

THE SERIES 2022 SENIOR BONDS SHALL NOT IN ANY MANNER OR TO ANY EXTENT CONSTITUTE OR BE A CHARGE UPON ANY MONEYS OR PROPERTY OF THE AUTHORITY NOT SPECIFICALLY PLEDGED THERETO UNDER THE SENIOR BOND RESOLUTION, OR CONSTITUTE OR BE AN OBLIGATION OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY OR OF ANY MUNICIPALITY OR POLITICAL SUBDIVISION OF THE STATE OF TENNESSEE OTHER THAN THE AUTHORITY AND SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE OWNERS OF THE SERIES 2022 SENIOR BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION OR OUT OF ANY FUNDS OR RESOURCES OTHER THAN NET REVENUES. THE AUTHORITY HAS NO TAXING POWER.

This cover page contains certain limited information for quick reference only. It is not, and is not intended to be, a summary of the matters relating to the Series 2022 Senior Bonds. Potential investors should read the entire Official Statement (including the inside cover pages and all appendices attached hereto) to obtain information essential to the making of an informed investment decision.

The Series 2022 Senior Bonds are being offered when, as, and if issued by the Authority and received by the Underwriters subject to prior sale and to withdrawal or modification of the offer without notice, and subject to the approving opinion of Hawkins Delafield & Wood LLP, New York, New York, in its capacity as Bond Counsel to the Authority. Certain legal matters in connection with the Series 2022 Senior Bonds will be passed upon for the Authority by Adams and Reese LLP, Nashville, Tennessee. Kutak Rock LLP, Denver, Colorado, has served as Disclosure Counsel to the Authority in connection with the Series 2022 Senior Bonds. Certain legal matters in connection with the Series 2022 Senior Bonds will be passed upon for the Underwriters by Bass, Berry & Sims PLC, Nashville, Tennessee, as Underwriters' Counsel. PFM Financial Advisors LLC, Memphis, Tennessee, is serving as Municipal Advisor to the Authority. The Series 2022 Senior Bonds are expected to be delivered through the book-entry system of DTC on or about December 7, 2022.

BofA Securities

FHN Financial Capital Markets **Jefferies** **J.P. Morgan**

Loop Capital Markets **Ramirez & Co., Inc.**

Date of Official Statement: November 16, 2022.

MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS, PRICES AND CUSIP NUMBERS

$94,525,000
METROPOLITAN NASHVILLE AIRPORT AUTHORITY
Airport Improvement Revenue Bonds,
Series 2022A (Non-AMT)

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP Numbers†
2026	$1,720,000	5.000%	3.010%	106.680	592190PL0
2027	1,810,000	5.000	3.060	108.207	592190PM8
2028	1,900,000	5.000	3.090	109.697	592190PN6
2029	1,990,000	5.000	3.130	111.020	592190PP1
2030	2,090,000	5.000	3.180	112.152	592190PQ9
2031	2,195,000	5.000	3.230	113.151	592190PR7
2032	2,305,000	5.000	3.300	113.846	592190PS5
2033	2,425,000	5.000	3.390	113.058C	592190PT3
2034	2,545,000	5.000	3.560	111.586C	592190PU0
2035	2,670,000	5.000	3.700	110.391C	592190PV8
2036	2,805,000	5.000	3.820	109.379C	592190PW6
2037	2,945,000	5.000	3.910	108.627C	592190PX4
2038	3,090,000	5.000	3.960	108.212C	592190PY2
2039	3,245,000	5.000	4.020	107.716C	592190PZ9
2040	3,410,000	5.000	4.080	107.223C	592190QA3
2041	3,580,000	5.000	4.140	106.733C	592190QB1
2042	3,755,000	5.000	4.160	106.571C	592190QC9

$21,905,000 – 5.250% Series 2022A Senior Term Bonds due July 1, 2047;
Yield 4.260%; Price 107.709C; CUSIP No.†: 592190QD7

$28,140,000 – 5.000% Series 2022A Senior Term Bonds due July 1, 2052;
Yield 4.420%; Price 104.481C; CUSIP No.†: 592190QE5

† Copyright 2022, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data in this Official Statement is provided by CUSIP Global Services (CGS), operated on behalf of the American Bankers Association by FactSet Research Systems Inc. This information is not intended to create a database and does not serve in any way as a substitute for the GCS database. CUSIP numbers have been assigned by an independent company not affiliated with the Authority or the Underwriters and are included solely for the convenience of the registered owners of the applicable Series 2022A Senior Bonds. None of the Underwriters, the Municipal Advisor or the Authority is responsible for the selection or use of these CUSIP numbers and no representation is made as to their correctness on the applicable Series 2022A Senior Bonds or as included in this Official Statement. The CUSIP number for a specific maturity is subject to being changed after the issuance of the bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2022A Senior Bonds.

C Priced to the par call date of July 1, 2032.

$501,560,000
METROPOLITAN NASHVILLE AIRPORT AUTHORITY
Airport Improvement Revenue Bonds,
Series 2022B (AMT)

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP Numbers†
2026	$ 8,855,000	5.000%	3.710%	104.269	592190QF2
2027	9,290,000	5.000	3.750	105.199	592190QG0
2028	9,755,000	5.000	3.820	105.864	592190QH8
2029	10,240,000	5.000	3.920	106.196	592190QJ4
2030	10,755,000	5.000	3.970	106.672	592190QK1
2031	11,295,000	5.000	3.990	107.265	592190QL9
2032	11,855,000	5.250	4.030	109.602	592190QM7
2033	12,475,000	5.250	4.090	109.104[C]	592190QN5
2034	13,140,000	5.250	4.220	108.035[C]	592190QP0
2035	13,820,000	5.250	4.320	107.221[C]	592190QQ8
2036	14,545,000	5.500	4.390	108.591[C]	592190QR6
2037	15,350,000	5.500	4.430	108.266[C]	592190QS4
2038	16,200,000	5.500	4.450	108.104[C]	592190QT2
2039	17,090,000	5.500	4.490	107.781[C]	592190QU9
2040	18,030,000	5.500	4.550	107.298[C]	592190QV7
2041	19,010,000	5.500	4.590	106.978[C]	592190QW5
2042	20,055,000	5.500	4.610	106.818[C]	592190QX3

$117,515,000 – 5.250% Series 2022B Senior Term Bonds due July 1, 2047;
Yield 4.880%; Price 102.797[C]; CUSIP No.†: 592190QY1

$127,285,000 – 5.500% Series 2022B Senior Term Bonds due July 1, 2052;
Yield 4.870%; Price 104.768[C]; CUSIP No.†: 592190QZ8

$25,000,000 – 5.000% Series 2022B Senior Term Bonds due July 1, 2052;
Yield 5.000%; Price 100.000; CUSIP No.†: 592190RA2

[C] Priced to the par call date of July 1, 2032.

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METROPOLITAN NASHVILLE AIRPORT AUTHORITY

BOARD OF COMMISSIONERS

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Davita Taylor, CPPO, C.M., MCA, *Vice President, Procurement and Business Diversity*

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Memphis, Tennessee

This Official Statement does not constitute a contract between the Authority or the Underwriters and any one or more owners of the Series 2022 Senior Bonds, nor does it constitute an offer to sell or the solicitation of an offer to buy the Series 2022 Senior Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer in such jurisdiction.

No dealer, salesman or any other person has been authorized by the Authority to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offering of the Series 2022 Senior Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by the Authority or any other person. The information and expressions of opinion in this Official Statement are subject to change without notice, and this Official Statement speaks only as of its date. Neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create the implication that there has been no change in the matters described herein since the date hereof. Except as otherwise indicated, the information contained in this Official Statement, including in the appendices attached hereto, has been obtained from representatives of the Authority, the Airport Consultant, the Underwriters and from public documents, records and other sources considered to be reliable.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The Series 2022 Senior Bonds have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, nor has the Senior Bond Resolution been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. The registration or qualification of the Series 2022 Senior Bonds in accordance with applicable provisions of the securities laws of the states, if any, in which the Series 2022 Senior Bonds have been registered or qualified and the exemption from registration or qualification in certain other states cannot be regarded as a recommendation thereof. Neither these states nor any of their agencies have passed upon the merits of the Series 2022 Senior Bonds or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

In making an investment decision, investors must rely on their own examination of the Authority and the Airport, and the terms of the offering, including the merits and risks involved. The Series 2022 Senior Bonds have not been recommended by any federal or state securities commission or regulatory authority. Any representation to the contrary may be a criminal offense.

The order and placement of information in this Official Statement, including the appendices attached hereto, are not an indication of relevance, materiality or relative importance, and this Official Statement, including the appendices attached hereto, should be read in its entirety. The captions and headings in this Official Statement are for 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 Official Statement.

References to website addresses presented herein, including the Authority's website or any other website containing information about the Authority, are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for any purpose including for purposes of Securities and Exchange Commission Rule 15c2-12.

The Underwriters may offer and sell the Series 2022 Senior Bonds to certain dealers and others at yields higher or prices lower than the public offering yields and/or prices stated on the inside cover pages of this Official Statement, and such public offering yields and/or prices may be changed from time to time by the Underwriters.

INFORMATION CONCERNING OFFERING RESTRICTIONS IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES

REFERENCES UNDER THIS CAPTION TO THE “ISSUER” MEAN THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY AND REFERENCES TO “SERIES 2022 SENIOR BONDS” OR “SECURITIES” MEAN, COLLECTIVELY (I) THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY AIRPORT IMPROVEMENT REVENUE BONDS, SERIES 2022A (NON-AMT), AND (II) THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY AIRPORT IMPROVEMENT REVENUE BONDS, SERIES 2022B (AMT).

THE INFORMATION UNDER THIS CAPTION HAS BEEN FURNISHED BY THE UNDERWRITERS, AND THE ISSUER MAKES NO REPRESENTATION AS TO THE ACCURACY, COMPLETENESS OR ADEQUACY OF THE INFORMATION UNDER THIS CAPTION.

COMPLIANCE WITH ANY RULES OR RESTRICTIONS OF ANY JURISDICTION RELATING TO THE OFFERING, SOLICITATION AND/OR SALE OF THE SERIES 2022 SENIOR BONDS IS THE RESPONSIBILITY OF THE UNDERWRITERS, AND THE ISSUER SHALL NOT HAVE ANY RESPONSIBILITY OR LIABILITY IN CONNECTION THEREWITH. NO ACTION HAS BEEN TAKEN BY THE ISSUER THAT WOULD PERMIT THE OFFERING OR SALE OF THE SERIES 2022 SENIOR BONDS, OR POSSESSION OR DISTRIBUTION OF THIS OFFICIAL STATEMENT OR ANY OTHER OFFERING OR PUBLICITY MATERIAL RELATING TO THE SERIES 2022 SENIOR BONDS, OR ANY INFORMATION RELATING TO THE PRICING OF THE SERIES 2022 SENIOR BONDS, IN ANY NON-U.S. JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

MINIMUM UNIT SALES

THE SERIES 2022 SENIOR BONDS WILL TRADE AND SETTLE ON A UNIT BASIS (ONE UNIT EQUALING ONE SERIES 2022 SENIOR BOND OF $5,000 PRINCIPAL AMOUNT). FOR ANY SALES MADE OUTSIDE THE UNITED STATES, THE MINIMUM PURCHASE AND TRADING AMOUNT IS 30 UNITS (BEING 30 SERIES 2022 SENIOR BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF $150,000).

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA AND THE UNITED KINGDOM

THIS OFFICIAL STATEMENT HAS BEEN PREPARED ON THE BASIS THAT ALL OFFERS OF THE SECURITIES TO ANY PERSON THAT IS LOCATED WITHIN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (“EEA”) OR THE UNITED KINGDOM WILL BE MADE PURSUANT TO AN EXEMPTION UNDER ARTICLE 1(4) REGULATION (EU) 2017/1129 (THE “PROSPECTUS REGULATION”) FROM THE REQUIREMENT TO PRODUCE A PROSPECTUS FOR OFFERS OF THE SECURITIES. ACCORDINGLY, ANY PERSON MAKING OR INTENDING TO MAKE ANY OFFER TO ANY PERSON LOCATED WITHIN A MEMBER STATE OF THE EEA OR THE UNITED KINGDOM OF THE SECURITIES SHOULD ONLY DO SO IN CIRCUMSTANCES IN WHICH NO OBLIGATION ARISES FOR THE ISSUER OR ANY OF THE INITIAL PURCHASERS TO PRODUCE A PROSPECTUS OR SUPPLEMENT FOR SUCH AN OFFER. NEITHER THE ISSUER NOR THE INITIAL PURCHASERS HAVE AUTHORIZED, NOR DO THEY AUTHORIZE, THE MAKING OF ANY OFFER OF SECURITIES THROUGH ANY FINANCIAL INTERMEDIARY, OTHER THAN OFFERS MADE BY THE INITIAL PURCHASERS, WHICH CONSTITUTE THE FINAL PLACEMENT OF THE SECURITIES CONTEMPLATED IN THIS OFFICIAL STATEMENT.

THE OFFER OF ANY SECURITIES WHICH IS THE SUBJECT OF THE OFFERING CONTEMPLATED BY THIS OFFICIAL STATEMENT IS NOT BEING MADE AND WILL NOT BE MADE TO THE PUBLIC IN ANY MEMBER STATE OF THE EEA OR THE UNITED KINGDOM, OTHER THAN: (A) TO ANY LEGAL ENTITY WHICH IS A "QUALIFIED INVESTOR" AS SUCH TERM IS DEFINED IN THE PROSPECTUS REGULATION; (B) TO FEWER THAN 150 NATURAL OR LEGAL PERSONS (OTHER THAN "QUALIFIED INVESTORS" AS SUCH TERM IS DEFINED IN THE PROSPECTUS REGULATION); OR (C) IN ANY OTHER CIRCUMSTANCES FALLING WITHIN ARTICLE 1(4) OF THE PROSPECTUS REGULATION, SUBJECT TO OBTAINING THE PRIOR CONSENT OF THE RELEVANT UNDERWRITER FOR ANY SUCH OFFER; PROVIDED THAT NO SUCH OFFER OF THE SECURITIES SHALL REQUIRE THE ISSUER OR THE INITIAL PURCHASERS TO PUBLISH A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS REGULATION OR A SUPPLEMENT TO A PROSPECTUS PURSUANT TO ARTICLE 23 OF THE PROSPECTUS REGULATION.

FOR THE PURPOSES OF THIS PROVISION, THE EXPRESSION AN "OFFER OF SECURITIES TO THE PUBLIC" IN RELATION TO THE SECURITIES IN ANY MEMBER STATE OF THE EEA OR THE UNITED KINGDOM MEANS THE COMMUNICATION IN ANY FORM AND BY ANY MEANS OF SUFFICIENT INFORMATION ON THE TERMS OF THE OFFER AND THE SECURITIES TO BE OFFERED SO AS TO ENABLE AN INVESTOR TO DECIDE TO PURCHASE THE SECURITIES.

THE SERIES 2022 SENIOR BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA. FOR THESE PURPOSES, A "RETAIL INVESTOR" MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, "MIFID II"); (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 (THE "INSURANCE DISTRIBUTION DIRECTIVE"), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN THE PROSPECTUS REGULATION. CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO. 1286/2014 (AS AMENDED, THE "PRIIPS REGULATION") FOR OFFERING OR SELLING THE SERIES 2022 SENIOR BONDS OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE SERIES 2022 SENIOR BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

THE SERIES 2022 SENIOR BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE UNITED KINGDOM. FOR THESE PURPOSES, A "RETAIL INVESTOR" MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2 OF REGULATION (EU) NO 2017/565 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 ("EUWA"); (II) A CUSTOMER WITHIN THE MEANING OF THE PROVISIONS OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (THE "FSMA") AND ANY RULES OR REGULATIONS MADE UNDER THE FSMA TO IMPLEMENT DIRECTIVE (EU) 2016/97, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2(1) OF REGULATION (EU) NO 600/2014 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN ARTICLE 2 OF REGULATION (EU) 2017/1129 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA. CONSEQUENTLY NO KEY INFORMATION DOCUMENT

REQUIRED BY REGULATION (EU) NO 1286/2014 AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA (THE "UK PRIIPS REGULATION") FOR OFFERING OR SELLING THE SERIES 2022 SENIOR BONDS OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE UNITED KINGDOM HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE SERIES 2022 SENIOR BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE UNITED KINGDOM MAY BE UNLAWFUL UNDER THE UK PRIIPS REGULATION.

EACH SUBSCRIBER FOR OR PURCHASER OF THE SERIES 2022 SENIOR BONDS IN THE OFFERING LOCATED WITHIN A MEMBER STATE OR THE UNITED KINGDOM WILL BE DEEMED TO HAVE REPRESENTED, ACKNOWLEDGED AND AGREED THAT IT IS A "QUALIFIED INVESTOR" AS DEFINED IN THE PROSPECTUS REGULATION AS IT FORMS PART OF DOMESTIC LAW BY VIRTUE OF THE EUWA. THE ISSUER AND EACH UNDERWRITER AND OTHERS WILL RELY ON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATION, ACKNOWLEDGEMENT AND AGREEMENT.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

THIS OFFICIAL STATEMENT IS FOR DISTRIBUTION ONLY TO, AND IS DIRECTED SOLELY AT, PERSONS WHO (I) ARE OUTSIDE THE UNITED KINGDOM, (II) ARE INVESTMENT PROFESSIONALS, AS SUCH TERM IS DEFINED IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "FINANCIAL PROMOTION ORDER"), (III) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE FINANCIAL PROMOTION ORDER, OR (IV) ARE PERSONS TO WHOM AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000) IN CONNECTION WITH THE ISSUE OR SALE OF ANY SERIES 2022 SENIOR BONDS MAY OTHERWISE BE LAWFULLY COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS OFFICIAL STATEMENT IS DIRECTED ONLY AT RELEVANT PERSONS AND MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFICIAL STATEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. ANY PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS OFFICIAL STATEMENT OR ANY OF ITS CONTENTS.

NOTICE TO PROSPECTIVE INVESTORS IN SWITZERLAND

THE SERIES 2022 SENIOR BONDS MAY NOT BE PUBLICLY OFFERED, DIRECTLY OR INDIRECTLY, IN SWITZERLAND WITHIN THE MEANING OF THE SWISS FINANCIAL SERVICES ACT (THE "FINSA"), AND NO APPLICATION HAS BEEN OR WILL BE MADE TO ADMIT THE SERIES 2022 SENIOR BONDS TO TRADING ON ANY TRADING VENUE (EXCHANGE OR MULTILATERAL TRADING FACILITY) IN SWITZERLAND. NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE SERIES 2022 SENIOR BONDS (1) CONSTITUTES A PROSPECTUS PURSUANT TO THE FINSA OR (2) HAS BEEN OR WILL BE FILED WITH OR APPROVED BY A SWISS REVIEW BODY PURSUANT TO ARTICLE 52 OF THE FINSA, AND NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE SERIES 2022 SENIOR BONDS MAY BE PUBLICLY DISTRIBUTED OR OTHERWISE MADE PUBLICLY AVAILABLE IN SWITZERLAND.

NOTICE TO PROSPECTIVE INVESTORS IN HONG KONG

WARNING. THE CONTENTS OF THIS OFFICIAL STATEMENT HAVE NOT BEEN REVIEWED BY ANY REGULATORY AUTHORITY IN HONG KONG. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE OFFER OF THE SERIES 2022 SENIOR BONDS. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THIS DOCUMENT, YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

THIS DOCUMENT HAS NOT BEEN, AND WILL NOT BE, REGISTERED AS A PROSPECTUS IN HONG KONG NOR HAS IT BEEN APPROVED BY THE SECURITIES AND FUTURES COMMISSION OF HONG KONG PURSUANT TO THE SECURITIES AND FUTURES ORDINANCE (CHAPTER 571 OF THE LAWS OF HONG KONG) ("SFO"). THE SERIES 2022 SENIOR BONDS MAY NOT BE OFFERED OR SOLD IN HONG KONG BY MEANS OF THIS DOCUMENT OR ANY OTHER DOCUMENT, AND THIS DOCUMENT MUST NOT BE ISSUED, CIRCULATED OR DISTRIBUTED IN HONG KONG, OTHER THAN TO `PROFESSIONAL INVESTORS' AS DEFINED IN THE SFO AND ANY RULES MADE THEREUNDER. IN ADDITION, NO PERSON MAY ISSUE OR HAVE IN ITS POSSESSION FOR THE PURPOSES OF ISSUE, WHETHER IN HONG KONG OR ELSEWHERE, ANY ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO THE SERIES 2022 SENIOR BONDS, WHICH IS DIRECTED AT, OR THE CONTENTS OF WHICH ARE LIKELY TO BE ACCESSED OR READ BY, THE PUBLIC OF HONG KONG (EXCEPT IF PERMITTED TO DO SO UNDER THE SECURITIES LAWS OF HONG KONG) OTHER THAN WITH RESPECT TO THE SERIES 2022 SENIOR BONDS WHICH ARE OR ARE INTENDED TO BE DISPOSED OF ONLY (A) TO PERSONS OUTSIDE HONG KONG, OR (B) TO `PROFESSIONAL INVESTORS' AS DEFINED IN THE SFO AND ANY RULES MADE THEREUNDER.

NOTICE TO PROSPECTIVE INVESTORS IN JAPAN

THE SERIES 2022 SENIOR BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER ARTICLE 4, PARAGRAPH 1 OF THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT OF JAPAN (ACT NO.25 OF 1948, AS AMENDED THE "FIEA"). IN RELIANCE UPON THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS SINCE THE OFFERING CONSTITUTES THE PRIVATE PLACEMENT TO QUALIFIED INSTITUTIONAL INVESTORS ONLY AS PROVIDED FOR IN "I" OF ARTICLE 2, PARAGRAPH 3, ITEM 2 OF THE FIEA. A TRANSFEROR OF THE SERIES 2022 SENIOR BONDS SHALL NOT TRANSFER OR RESELL THEM EXCEPT WHERE A TRANSFEREE IS A QUALIFIED INSTITUTIONAL INVESTORS AS DEFINED UNDER ARTICLE 10 OF THE CABINET OFFICE ORDINANCE CONCERNING DEFINITIONS PROVIDED IN ARTICLE 2 OF THE FIEA (THE MINISTRY OF FINANCE ORDINANCE NO.14 OF 1993, AS AMENDED).

NOTICE TO PROSPECTIVE INVESTORS IN SOUTH KOREA

THIS OFFICIAL STATEMENT IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSIDERED AS, A PUBLIC OFFERING OF SECURITIES IN SOUTH KOREA FOR THE PURPOSES OF THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT OF KOREA. THE SERIES 2022 SENIOR BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE FINANCIAL SERVICES COMMISSION OF SOUTH KOREA FOR PUBLIC OFFERING IN SOUTH KOREA UNDER THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT AND ITS SUBORDINATE DECREES AND REGULATIONS (COLLECTIVELY, THE "FSCMA"). THE SERIES 2022 SENIOR BONDS MAY NOT BE OFFERED, REMARKETED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, OR OFFERED, REMARKETED OR SOLD

TO ANY PERSON FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN SOUTH KOREA OR TO ANY RESIDENT OF SOUTH KOREA (AS DEFINED IN THE FOREIGN EXCHANGE TRANSACTIONS LAW OF SOUTH KOREA AND ITS SUBORDINATE DECREES AND REGULATIONS (COLLECTIVELY, THE “FETL”)) WITHIN ONE YEAR OF THE ISSUANCE OF THE SERIES 2022 SENIOR BONDS, EXCEPT AS OTHERWISE PERMITTED UNDER APPLICABLE SOUTH KOREAN LAWS AND REGULATIONS, INCLUDING THE FSCMA AND THE FETL.

NOTICE TO PROSPECTIVE INVESTORS IN TAIWAN

THE SERIES 2022 SENIOR BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED OR FILED WITH, OR APPROVED BY THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN, THE REPUBLIC OF CHINA (“TAIWAN”) AND/OR OTHER REGULATORY AUTHORITY OR AGENCY OF TAIWAN PURSUANT TO RELEVANT SECURITIES LAWS AND REGULATIONS OF TAIWAN AND MAY NOT BE ISSUED, OFFERED, OR SOLD IN TAIWAN THROUGH A PUBLIC OFFERING OR IN CIRCUMSTANCES WHICH CONSTITUTE AN OFFER WITHIN THE MEANING OF THE SECURITIES AND EXCHANGE ACT OF TAIWAN OR RELEVANT LAWS AND REGULATIONS THAT REQUIRES A REGISTRATION, FILING OR APPROVAL OF THE FINANCIAL SUPERVISORY COMMISSION AND/OR OTHER REGULATORY AUTHORITY OR AGENCY OF TAIWAN. THE SERIES 2022 SENIOR BONDS MAY BE MADE AVAILABLE OUTSIDE TAIWAN FOR PURCHASE OUTSIDE TAIWAN BY INVESTORS RESIDING IN TAIWAN DIRECTLY, BUT MAY NOT BE OFFERED OR SOLD IN TAIWAN EXCEPT TO QUALIFIED INVESTORS VIA A TAIWAN LICENSED INTERMEDIARY TO THE EXTENT PERMITTED BY APPLICABLE LAWS OR REGULATIONS.

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relating to

$596,085,000
METROPOLITAN NASHVILLE AIRPORT AUTHORITY

$94,525,000
Airport Improvement Revenue Bonds,
Series 2022A (Non-AMT)

$501,560,000
Airport Improvement Revenue Bonds,
Series 2022B (AMT)

INTRODUCTION

General

The purpose of this Official Statement, which includes the cover page, the inside cover pages and the appendices attached hereto, is to provide certain information concerning the issuance and sale by the Metropolitan Nashville Airport Authority (the "Authority") of (i) $94,525,000 in aggregate principal amount of its Airport Improvement Revenue Bonds, Series 2022A (Non-AMT) (the "Series 2022A Senior Bonds"), and (ii) $501,560,000 in aggregate principal amount of its Airport Improvement Revenue Bonds, Series 2022B (AMT) (the "Series 2022B Senior Bonds," and together with the Series 2022A Senior Bonds, the "Series 2022 Senior Bonds"). Unless otherwise defined herein, capitalized terms used in this Official Statement shall have the meanings set forth in "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION – Definitions" or "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE BOND RESOLUTION – Definitions", as applicable.

This Introduction is not a summary of this Official Statement and is intended only for quick reference. It is only a brief description of and guide to, and is qualified in its entirety by reference to, the more complete and detailed information contained in the entire Official Statement, including the inside cover page and the appendices attached hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement and of the documents summarized or described herein if necessary. The offering of the Series 2022 Senior Bonds to potential investors is made only by means of the entire Official Statement, including the appendices attached hereto.

Authorization for the Series 2022 Senior Bonds

The Series 2022 Senior Bonds are being issued pursuant to various provisions of law, including: (a) the Metropolitan Airport Authority Act, Tenn. Code Ann. §§ 42-4-101 et seq., as amended (the "Act"); (b) the Local Government Public Obligations Act of 1986, Tenn. Code Ann. §§ 9-21-101 et seq., as amended; and (c) Resolution No. 91-09 adopted by the Board of Commissioners of the Authority (the "Board") on August 15, 1991, as amended and supplemented from time to time (the "Master Senior Resolution") and particularly as supplemented by that certain Twenty-First Supplemental Resolution adopted by the Board on October 19, 2022 (the "Twenty-First Supplemental Senior Resolution," and together with the Master Senior Resolution, the "Senior Bond Resolution").

The Authority, the Airport System and the Air Service Area

The Authority is a metropolitan airport authority created on February 9, 1970, pursuant to the Act, as a public and governmental body acting as an agency and instrumentality of the Metropolitan Government of Nashville and Davidson County, Tennessee (the "Metropolitan Government"). The principal purpose of the Authority is the management and operation of the Airport System, which includes the Nashville International Airport (the "Airport") and the John C. Tune Airport (the "Reliever Airport"). The Authority is empowered under the Act to construct, improve and operate airports and to establish and charge fees, rentals, rates and other charges. The Authority's fiscal year ("Fiscal Year") currently begins on July 1 and ends on June 30 of the immediately subsequent year. See "THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY."

The Airport is the primary commercial air service facility serving the Nashville metropolitan area and the surrounding region and is relatively isolated from airport competition in the region. It is also the largest airport in the State of Tennessee (the "State") and the only large-hub airport in the Nashville MSA (as defined below). The geographical region that serves as an airport's primary air service catchment area is referred to herein as its "Air Service Area." The Airport's Air Service Area is defined in the Report of the Airport Consultant (as defined herein) as the Nashville-Davidson-Murfreesboro-Franklin, Tennessee Metropolitan Statistical Area ("Nashville MSA"), that includes the 14 counties in Middle Tennessee of Cannon, Cheatham, Davidson (the Airport's location), Dickson, Hickman, Macon, Maury, Robertson, Rutherford, Smith, Sumner, Trousdale, Williamson and Wilson Counties. See "THE AIRPORT SYSTEM," "NASHVILLE INTERNATIONAL AIRPORT" and "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT."

Purpose of the Series 2022 Senior Bonds

The Series 2022 Senior Bonds are being issued for the purposes of providing funds to: (a) pay and/or reimburse the Authority for a portion of the costs of certain elements of the Authority Capital Program (as defined herein); (b) pay a portion of the amount outstanding under the Note Purchase Agreement (as defined herein); (c) fund capitalized interest on the Series 2022 Senior Bonds; (d) fund a deposit to the Airport Improvement Bond Reserve Fund (as defined herein) to meet the Airport Improvement Bond Reserve Fund Requirement (as defined herein); and (e) pay certain costs of issuance related to the Series 2022 Senior Bonds. See "PLAN OF FINANCE," "ESTIMATED SOURCES AND USES OF FUNDS," and "AUTHORITY CAPITAL PROGRAM" herein.

Authority Capital Program

Between Fiscal Year 2012 and Fiscal Year 2022, annual enplanements at the Airport increased by approximately 87.8% (from approximately 4.9 million enplanements in Fiscal Year 2012 to approximately 9.2 million enplanements in Fiscal Year 2022 (a record for the Airport)). In response to this growth in enplaned passengers and the expected continued growth in the Air Service Area in enplaned passengers, the Authority developed a capital program (the "Authority Capital Program"), which currently consists of three components: (i) BNA Vision (as defined below); (ii) New Horizon (as defined below); and (iii) certain other capital projects developed as part of the Authority's on-going capital improvement plan (the "CIP").

In 2013, the Authority completed the 2013 Master Plan (as defined herein) which, reflected at the time, all airfield, terminal, landside/ground access and support facility projects necessary to meet the anticipated demand for air travel over a planning horizon ending in 2031. The Authority developed a comprehensive plan from the 2013 Master Plan referred to as "BNA Vision," which currently consists of two phases: BNA Vision 1.0 and BNA Vision 2.0. As described in more detail under "AUTHORITY CAPITAL PROGRAM" and "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT," certain projects in BNA Vision have been completed and the remaining projects are underway. All projects in BNA Vision are anticipated to be substantially completed in Fiscal Year 2023. BNA Vision is expected to cost approximately $1.5 billion. A portion of the proceeds of the Series 2022 Senior Bonds (approximately $393.3 million) will be used to pay a portion of the costs of projects included in BNA Vision. The Authority expects to issue Additional Senior Bonds and/or Additional Subordinate Bonds in Fiscal Years 2024 and

2026 to finance or refinance approximately $25.3 million and $23.2 million, respectively, of the remaining costs of BNA Vision. See “PLAN OF FINANCE – Projects in Authority Capital Program to be Funded with Series 2022 Senior Bonds – BNA Vision Projects.”

In June 2022, the Authority announced a new capital initiative known as “New Horizon.” New Horizon includes additional expansion projects at the Airport to accommodate expected future demand beyond what was contemplated when BNA Vision was developed. New Horizon includes building additional gates, a new freight building, roadway improvements and baggage handling system improvements, among other projects. See “AUTHORITY CAPITAL PROGRAM” and “APPENDIX A – REPORT OF THE AIRPORT CONSULTANT” for additional information on New Horizon. As of the date of this Official Statement, New Horizon has an estimated cost of approximately $1.5 billion. A portion of the proceeds of the Series 2022 Senior Bonds (approximately $127.2 million) will be used to pay a portion of the costs of projects included in New Horizon. Additionally, the Authority expects to issue Additional Senior Bonds and/or Additional Subordinate Bonds in Fiscal Year 2024 and Fiscal Year 2026 to finance approximately $1.3 billion of the costs of New Horizon. See “PLAN OF FINANCE – Projects in Authority Capital Program to be Funded with Series 2022 Senior Bonds – New Horizon Projects.”

The Authority also plans to undertake capital projects, developed in addition to the BNA Vision and New Horizon programs, as part of the CIP. The Authority maintains an ongoing CIP to address the needs of the Airport System in conjunction with the Authority’s long-term facilities plan addressed through BNA Vision and New Horizon. The CIP consists primarily of Airport System improvements, upgrades, and other repair, reconstruction, and maintenance projects while BNA Vision and New Horizon were developed to address larger capital development needs. In addition to routine vehicle replacement, maintenance equipment repair and replacement, and other ongoing pavement rehabilitation projects, major CIP projects include various concourse upgrades, expansion of the terminal curbside, deicing improvements, taxilane improvements, and an aircraft rescue and firefighting station annex. As of the date of this Official Statement, the CIP consists of various projects to be undertaken between Fiscal Years 2023 and 2031, that have an estimated cost of approximately $358.4 million. A portion of the proceeds of the Series 2022 Senior Bonds (approximately $18.0 million) will be used to pay a portion of the costs of projects included in the CIP. Additionally, the Authority expects to issue Additional Senior Bonds and/or Additional Subordinate Bonds in Fiscal Years 2024 and 2026 to finance approximately $98.0 million and $55.1 million, respectively, of the costs of projects in the CIP. See “PLAN OF FINANCE – Projects in Authority Capital Program to be Funded with Series 2022 Senior Bonds – CIP Projects.”

Description of the Series 2022 Senior Bonds

The Series 2022 Senior Bonds are being issued as fully registered bonds in denominations of $5,000 or any integral multiple thereof and initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). Purchases of beneficial ownership interests in the Series 2022 Senior Bonds will be made in book-entry form only and purchasers will not receive physical delivery of bond certificates representing the beneficial ownership interests in the Series 2022 Senior Bonds so purchased. Payments of principal of and interest on any Series 2022 Senior Bond will be made to Cede & Co., as nominee for DTC as registered owner of the Series 2022 Senior Bonds, by U.S. Bank Trust Company, National Association, as bond registrar and paying agent for the Series 2022 Senior Bonds, to be subsequently disbursed to the Beneficial Owners (as defined herein) of the Series 2022 Senior Bonds. See “DESCRIPTION OF THE SERIES 2022 SENIOR BONDS – General” and “APPENDIX H – BOOK-ENTRY ONLY SYSTEM AND GLOBAL CLEARANCE PROCEDURES.”

Interest on the Series 2022 Senior Bonds will be payable semiannually on January 1 and July 1 of each year, commencing July 1, 2023. The Series 2022 Senior Bonds will bear interest at the rates and will be payable as to principal in the amounts and on the dates set forth on the inside front cover of this Official Statement.

The Series 2022 Senior Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as more fully described under "DESCRIPTION OF THE SERIES 2022 SENIOR BONDS – Redemption Provisions."

Security and Sources of Payment for the Series 2022 Senior Bonds

The Senior Bonds, including the Series 2022 Senior Bonds, the Existing Senior Bonds (as defined herein) and any Additional Senior Bonds, are special limited obligations of the Authority equally and ratably secured by a pledge of and lien on the Net Revenues (as defined herein). See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 SENIOR BONDS – Pledge of Net Revenues," "OUTSTANDING AUTHORITY OBLIGATIONS – Existing Senior Bonds" and "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION.

THE SERIES 2022 SENIOR BONDS SHALL NOT IN ANY MANNER OR TO ANY EXTENT CONSTITUTE OR BE A CHARGE UPON ANY MONEYS OR PROPERTY OF THE AUTHORITY NOT SPECIFICALLY PLEDGED THERETO UNDER THE SENIOR BOND RESOLUTION, OR CONSTITUTE OR BE AN OBLIGATION OF THE METROPOLITAN GOVERNMENT OR OF ANY MUNICIPALITY OR POLITICAL SUBDIVISION OF THE STATE OTHER THAN THE AUTHORITY AND SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE OWNERS OF THE SERIES 2022 SENIOR BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION OR OUT OF ANY FUNDS OR RESOURCES OTHER THAN NET REVENUES. THE AUTHORITY HAS NO TAXING POWER.

Existing Senior Bonds

The Authority has previously issued, and there are currently outstanding, three series of Senior Bonds pursuant to the Senior Bond Resolution, including its (i) Airport Improvement Revenue Bonds, Series 2003B (Taxable) (the "Series 2003B Senior Bonds"), (ii) Airport Improvement Revenue Bonds, Series 2015A (Non-AMT) (the "Series 2015A Senior Bonds") and (iii) Airport Improvement Revenue Bonds, Series 2015B (AMT) (the "Series 2015B Senior Bonds," and together with the Series 2015A Senior Bonds, the "Series 2015 Senior Bonds"). The Series 2003B Senior Bonds and the Series 2015 Senior Bonds are collectively referred to herein as the "Existing Senior Bonds"). As of November 1, 2022, the Existing Senior Bonds were outstanding in the aggregate principal amount of $191,155,000. Subject to certain conditions as set forth in the Senior Bond Resolution, Additional Senior Bonds and Senior Refunding Bonds may be issued under the Senior Bond Resolution on a parity with the Series 2022 Senior Bonds and the Existing Senior Bonds.

See "OUTSTANDING AUTHORITY OBLIGATIONS – Existing Senior Bonds" and "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION" for additionally information about the Existing Senior Bonds and the conditions pursuant to which the Authority may issue, in the future, Additional Senior Bonds under the Senior Bond Resolution. See also "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT."

Existing Subordinate Bonds

In addition to the Existing Senior Bonds, the Authority has issued its Subordinate Airport Revenue Bonds, Series 2019A (Non-AMT) (the "Series 2019A Subordinate Bonds"), and Subordinate Airport Revenue Bonds, Series 2019B (AMT) (the "Series 2019B Subordinate Bonds," and together with the Series 2019A Subordinate Bonds, the "Series 2019 Subordinate Bonds" or the "Existing Subordinate Bonds"). As of November 1, 2022, the Existing Subordinate Bonds were outstanding in the aggregate principal amount of $919,585,000. Subject to certain conditions as set forth in the Subordinate Bond Resolution, Additional Subordinate Bonds and Subordinate Refunding Bonds may be issued under the Subordinate Bond Resolution on a parity with the Existing Subordinate Bonds. The Subordinate Bonds are secured by a pledge of and lien on New Revenues, subject and subordinate to the pledge of and lien on Net Revenues created in the Senior Bond Resolution for the payment and security of the Senior Bonds (including the Series 2022 Senior Bonds).

See "OUTSTANDING AUTHORITY OBLIGATIONS – Subordinate Bonds and Other Subordinate Obligations – Existing Subordinate Bonds and Other Subordinate Obligations" and "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE BOND RESOLUTION" for additionally information about the Existing Subordinate Bonds and the conditions pursuant to which the Authority may issue, in the future, Additional Subordinate Bonds under the Subordinate Bond Resolution. See also "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT."

Other Subordinate Obligations

The Authority and Bank of America, N.A. ("Bank of America") entered into a Note Purchase Agreement, dated January 7, 2019 (as amended, supplemented, restated or otherwise modified from time to time, the "Note Purchase Agreement") which currently provides up to $300,000,000 of interim financing capacity to fund, among other things, certain elements of the Authority Capital Program. As of November 1, 2022, $162.1 million was outstanding under the Note Purchase Agreement. The payment of the principal of and interest on the amounts due under the Note Purchase Agreement are secured by a lien and pledge on the Net Revenues, junior and inferior and subject and subordinate in payment to the lien and pledge on the Net Revenues created under the Senior Bond Resolution for the payment of and security for the Senior Bonds (including the Series 2022 Senior Bonds) and junior and inferior and subject and subordinate in payment to the lien and pledge on the Net Revenues created under the Subordinate Bond Resolution for the payment of and security for the Subordinate Bonds. A portion of the outstanding balance of the existing notes outstanding under the Note Purchase Agreement will be repaid from a portion of the proceeds of the Series 2022 Senior Bonds, and, on or about the date of issuance of the Series 2022 Senior Bonds, new notes in the amount of $300,000,000 will be issued under the Note Purchase Agreement and exchanged for outstanding notes and will be available to the Authority for interim financing to fund, among other things, certain elements of the Authority Capital Program.

See "OUTSTANDING AUTHORITY OBLIGATIONS – Existing Subordinate Bonds and Other Subordinate Obligations – Other Indebtedness-Note Purchase Agreement," "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION" and "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE BOND RESOLUTION."

Existing and Proposed Signatory Passenger Airline Use and Lease Agreements

Existing Signatory Passenger Airline Agreements. The Authority has entered into substantially similar forms of Signatory Airline Use and Lease Agreements (the "Existing Signatory Passenger Airline Agreements") with the Signatory Airlines (as defined below) effective through June 30, 2023. The Existing Signatory Passenger Airline Agreements establish, among other things, procedures for setting and adjusting rentals, rates, fees and charges to be collected for the use of the Airport Facilities. Airlines that have executed the Existing Signatory Passenger Airline Agreements and their operating affiliates (collectively, the "Signatory Airlines") accounted for approximately 97% of enplaned passengers at the Airport in Fiscal Year 2022. See "SIGNATORY PASSENGER AIRLINE AGREEMENTS AND CERTAIN NON-AIRLINE AGREEMENTS – Existing and Proposed Signatory Passenger Airline Agreements" and "APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE EXISTING SIGNATORY AIRLINE USE AND LEASE AGREEMENTS."

Proposed Signatory Passenger Airline Agreements. The Exiting Signatory Passenger Airline Agreement will expire on June 30, 2023 and will not be extended under its current terms. The Authority and the Signatory Airlines are currently negotiating the terms of a new Signatory Airline Use and Lease Agreement (the "Proposed Signatory Passenger Airline Agreement"). As of the date of this Official Statement, the terms of the Proposed Signatory Passenger Airline Agreement have not been finalized, but the Authority and Southwest Airlines (the largest airline at the Airport in terms of passenger market share and a key representative of the Signatory Airlines) have executed a Memorandum of Understanding (the "Proposed Signatory Passenger Airline Agreement MOU") which sets forth certain key terms and provisions that are expected to be included in the final form of the Proposed Signatory Passenger Airline Agreement. The Authority expects to continue finalizing the terms and provisions of the Proposed Signatory Passenger Airline Agreement during the first half of calendar year 2023, and that the Proposed Signatory Passenger Airline Agreement will become effective on July 1, 2023. See "SIGNATORY PASSENGER AIRLINE AGREEMENTS AND CERTAIN NON-AIRLINE AGREEMENTS – Existing and Proposed Signatory Passenger Airline Agreements – Proposed Signatory Passenger Airline Agreement MOU."

In the event the Authority and the Signatory Airlines are unable execute the Proposed Signatory Passenger Airline Agreement by June 30, 2023, the Authority expects to impose rates and charges on all airlines pursuant to Federal Aviation Administration's Policy Regarding the Establishment of Airport Rates and Charges and a rate ordinance to be adopted by the Board. See "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Financial Framework and Analysis – Negotiation of New Signatory Passenger Airline Agreements" and "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Financial Framework and Analysis – Sensitivity Analysis."

Impact of COVID-19 on the Authority and the Airport

The worldwide outbreak of novel coronavirus SARS-CoV-2 (together with all variants thereof "COVID-19") has caused significant disruption to domestic and international air travel, including passenger operations, and has had significant negative and adverse effects on the economies of the nation and the world. The information in this Official Statement that describes revenues, financial affairs, operations and general economic conditions of the Authority and the Airport for Fiscal Years 2020 and 2021 should be considered in light of the negative and adverse impacts from COVID-19 subsequent to the dates of such data. The effects of COVID-19 and actions taken at the state and national levels to halt its spread have had, and may continue to have, a significant adverse effect on domestic and international air travel. COVID-19 developments, and associated governmental and regulatory responses, are rapidly changing and cannot be predicted with any assurance. For a more detailed discussion of the current and projected impacts of COVID-19 on the Authority's revenues, financial condition and operations and the Airport, see "COVID-19 PANDEMIC ISSUES AND IMPACTS" and APPENDIX A – "REPORT OF THE AIRPORT CONSULTANT."

Authority Environmental, Social and Governance Efforts

The Authority has a longstanding commitment to sustainability and, over the years, has incorporated a variety of "green" strategies into the design, construction and operations of the Airport. From energy efficiency to water conservation, waste reduction and recycling, measures for reducing fossil fuel use and greenhouse gases and more, sustainability takes many forms at the Airport. The Authority's Sustainability Mission Statement is: To sustain the heartbeat of the Mid-South by cherishing its resources to ensure Music City keeps flying high. Additionally, the Authority has historically been focused on diversity and inclusiveness for all contractors hired by the Authority and concessionaires and other businesses operating at the Airport. The Authority is committed to providing contracting opportunities for small, minority, woman-owned business enterprises, as well as disadvantaged business enterprises and Airport concessions disadvantaged business enterprises. The Authority has established a separate office (the Office of Business Diversity Development) that specifically focusses on the Authority's diversity and inclusiveness programs. See "AUTHORITY ENVIRONMENTAL, SOCIAL AND GOVERNANCE EFFORTS" for additional information on the Authority's efforts regarding environmental and sustainability, social and governance matters.

Continuing Disclosure

In order to assist the Underwriters (as defined herein) in complying with paragraph (b)(5) of Rule 15c2-12 of the Securities and Exchange Commission (the "SEC") promulgated pursuant to the Securities Exchange Act of 1934 (the "Exchange Act"), as in effect on the date hereof (the "Rule"), simultaneously with the issuance of the Series 2022 Senior Bonds, the Authority, as an "obligated person" under the Rule, will enter into a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") with Digital Assurance Certification, L.L.C. (the "Dissemination Agent"), as initial disclosure dissemination agent, under which the Authority will undertake to provide continuing disclosure with respect to the Series 2022 Senior Bonds and the Airport for the benefit of the holders of the Series 2022 Senior Bonds. See "CONTINUING DISCLOSURE" and "APPENDIX G – FORM OF CONTINUING DISCLOSURE AGREEMENT."

Report of the Airport Consultant

Landrum & Brown, Incorporated, in association with Partners for Economic Solution (together, the "Airport Consultant") has prepared its report dated November 4, 2022 (the "Report of the Airport Consultant") in connection with the issuance of the Series 2022 Senior Bonds, which report is attached hereto as "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT." The Report of the Airport Consultant provides, among other things, a summary of the funding plan for the Authority Capital Program, analyses of historical airline service and passenger traffic, analyses of historical Airport revenues and expenses, and financial forecasts demonstrating the sufficiency of Net Revenues to meet the funding requirements and obligations established by the Senior Bond Resolution and the Subordinate Bond Resolution during the forecast period of Fiscal Year 2024 through Fiscal Year 2031 (the "Forecast Period"). For additional information on historical and forecast revenues of the Airport and the various underlying assumptions incorporated into the Report of the Airport Consultant, see "REPORT OF THE AIRPORT CONSULTANT AND RATE COVENANT FORECAST" and "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT."

Forward-Looking Statements

This Official Statement, including the appendices hereto, contains statements relating to future results that are forward-looking statements. When used in this Official Statement, words such as "plan," "expect," "estimate," "budget," "project," "maintain," "achieve," "forecast," "will likely result," "are expected to," "will continue," "is anticipated," "intend" or other similar expressions identify forward-looking statements. Statements contained in this Official Statement which involve estimates, forecasts, or other matters of opinion, whether or not expressly so described in this Official Statement, are intended solely as such and are not to be construed as representations of fact. Prospective investors should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Authority and the Airport Consultant on the date hereof, are subject to change without notice and none of the Authority or the Airport Consultant assume any obligation to update any such forward-looking statements with new forward-looking statements. All forward-looking statements are expressly qualified in their entirety by the cautionary statements in this section and elsewhere in the Official Statement. It is important to note that the Authority's actual results likely will differ, and could differ materially, from those in such forward-looking statements.

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

The Authority maintains certain websites and social media accounts, the information on which is not part of this Official Statement, is not incorporated by reference in this Official Statement and should not be relied upon in deciding whether to invest in the Series 2022 Senior Bonds.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. This Official Statement and the appendices attached hereto contain brief descriptions of, among other matters, the Authority, the Airport, the Series 2022 Senior Bonds, the security and sources of payment for the Series 2022 Senior Bonds, the Senior Bond Resolution, the Subordinate Bond Resolution, the Existing Signatory Passenger Airline Agreements and the Proposed Signatory Passenger Airline Agreement MOU. Such descriptions and information do not purport to be comprehensive or definitive. The summaries of various constitutional provisions, statutes, the Senior Bond Resolution, the Subordinate Bond Resolution, the Existing Signatory Passenger Airline Agreements, the Proposed Signatory Passenger Airline Agreement MOU and other documents are intended as summaries only and are qualified in their entirety by reference to such documents, and references herein to the Series 2022 Senior Bonds are qualified in their entirety to the forms thereof included in the Senior Bond Resolution. Copies of the Senior Bond Resolution, the Subordinate Bond Resolution, the Existing Signatory Passenger Airline Agreements, the Proposed Signatory Passenger Airline Agreement MOU and other relevant documents and information are available, upon written request and payment of a charge for copying, mailing and handling, from: Metropolitan Nashville Airport Authority, Chief Financial Officer, Department of Finance, 140 BNA Park Drive, Suite 520, Nashville, Tennessee 37214.

PLAN OF FINANCE

General

The Series 2022 Senior Bonds are being issued for the purpose of providing funds to: (a) pay and/or reimburse the Authority for a portion of the costs of certain elements of the Authority Capital Program as more fully described below; (b) pay all or a portion of the amounts outstanding under the Note Purchase Agreement; (c) fund capitalized interest on the Series 2022 Senior Bonds; (d) fund a deposit to the Airport Improvement Bond Reserve Fund to meet the Airport Improvement Bond Reserve Fund Requirement; and (e) pay certain costs of issuance related to the Series 2022 Senior Bonds, all as further described under "ESTIMATED SOURCES AND USES OF FUNDS" and "AUTHORITY CAPITAL PROGRAM."

Projects in Authority Capital Program to be Funded with Series 2022 Senior Bonds

A portion of the proceeds of the Series 2022 Senior Bonds will be used to finance the costs of certain projects in the Authority Capital Program as described below.

BNA Vision Projects. The Authority expects to use approximately \$393.3 million of the proceeds of the Series 2022 Senior Bonds to finance all or a portion of the following projects, among others, included in BNA Vision:

- Terminal projects – lobby expansion, terminal wings and international arrivals building (\$102.5 million)
- Satellite Concourse (\$99.9 million)
- Concourse A (site preparation and paving) (\$65.1 million)
- Terminal Garage 3 (\$34.7 million)
- Terminal access roadway improvements – phase 1 (\$45.8 million)
- Terminal ramp paving (\$19.9 million)
- Art allowance, contingency and other soft costs (\$25.4 million)

New Horizon Projects. The Authority expects to use approximately \$127.2 million of the proceeds of the Series 2022 Senior Bonds to finance all or a portion of the following projects, among others, included in New Horizon:

- Concourse D Extension (\$75.7 million)
- Baggage handling upgrades (\$22.2 million)
- Art allowance, contingency and other soft costs (\$29.3 million)

CIP Projects. The Authority expects to use approximately \$18.0 million of the proceeds of the Series 2022 Senior Bonds to finance all or a portion of the following project included in the CIP:

- Concourse upgrades (\$18.0 million)

For additional information regarding the Authority Capital Program, including estimated project costs and anticipated funding sources, which include proceeds of the Series 2022 Senior Bonds, see "AUTHORITY CAPITAL PROGRAM – Anticipated Funding Sources for Authority Capital Program" and "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Airport Facilities and Capital Program – Authority's Capital Program."

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Series 2022 Senior Bonds are expected to be applied as follows:

	Series 2022A Senior Bonds	Series 2022B Senior Bonds	Total
Sources of Funds:			
Principal Amount	$ 94,525,000.00	$501,560,000.00	$596,085,000.00
Original Issue Premium	7,122,712.85	26,460,001.60	33,582,714.45
Total Sources of Funds	$101,647,712.85	$528,020,001.60	$629,667,714.45
Uses of Funds:			
Deposit to Construction Fund[1]	$ 45,815,602.65	$381,467,485.17	$427,283,087.82
Capitalized Interest	1,339,918.70	43,141,397.13	44,481,315.83
Repayment of Amounts Outstanding Under the Note Purchase Agreement	47,464,649.02	66,900,558.17	114,365,207.19
Deposit to Airport Improvement Bond Reserve Fund	6,594,546.58	34,256,083.09	40,850,629.67
Costs of Issuance[2]	432,995.90	2,254,478.04	2,687,473.94
Total Uses of Funds	$101,647,712.85	$528,020,001.60	$629,667,714.45

(1) See "PLAN OF FINANCE – Projects in Authority Capital Program to be Funded with Series 2022 Senior Bonds," "AUTHORITY CAPITAL PROGRAM – Anticipated Funding Sources for Authority Capital Program" and "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Airport Facilities and Capital Program – Authority's Capital Program" for additional information on the projects in the Authority Capital Program to be funded with proceeds of the Series 2022 Senior Bonds.

(2) Includes, among other things, underwriters' discount, legal, municipal advisory and other consultant fees, initial fees of the registrar and paying agent, if applicable, rating agency fees, printing costs, and other miscellaneous fees and costs with respect to the Series 2022 Senior Bonds.

DESCRIPTION OF THE SERIES 2022 SENIOR BONDS

General

The Series 2022 Senior Bonds will be issued in the aggregate principal amounts and at the interest rates, and will mature in the amounts and on the dates all as set forth on the inside cover pages hereof. Interest on the Series 2022 Senior Bonds is payable on each January 1 and July 1 (each such date is referred to in this Official Statement as an "Interest Payment Date"), commencing July 1, 2023, and accrues from the dated date of the Series 2022 Senior Bonds, or the most recent Interest Payment Date to which interest has been paid or provided for. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Series 2022 Senior Bonds are being issued as fully registered bonds in denominations of $5,000 or any integral multiple thereof and initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial ownership interests in the Series 2022 Senior Bonds will be made in book-entry form only and purchasers will not receive physical delivery of bond certificates representing the beneficial ownership interests in the Series 2022 Senior Bonds so purchased. Payments of principal of and interest on the Series 2022 Senior Bond will be made to Cede & Co., as nominee for DTC as registered owner of the Series 2022 Senior Bonds, by U.S. Bank Trust Company, National Association, as bond registrar and paying agent for the Series 2022 Senior Bonds (the "Paying Agent"), to be subsequently disbursed to the Beneficial Owners (as defined herein) of the Series 2022 Senior Bonds. See “APPENDIX H – BOOK-ENTRY ONLY SYSTEM AND GLOBAL CLEARANCE PROCEDURES.”

Pursuant to the terms of the Senior Bond Resolution, U.S. Bank Trust Company, National Association, Nashville, Tennessee, also has been appointed and serves as trustee (the “Trustee”); however, the Trustee has no duties or obligations under the Senior Bond Resolution, except in the event of a default under the terms of the Senior Bond Resolution.

Redemption Provisions

Optional Redemption. Except as otherwise set forth below, the Series 2022A Senior Bonds maturing on or before July 1, 2032 are not subject to redemption prior to maturity. The Series 2022A Senior Bonds maturing on and after July 1, 2033, are subject to redemption prior to maturity, at the option of the Authority, on and after July 1, 2032, as a whole or in part at any time, from such maturities as the Authority shall select, at the redemption price equal to 100% of the principal amount of the Series 2022A Senior Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption.

Except as otherwise set forth below, the Series 2022B Senior Bonds maturing on or before July 1, 2032 are not subject to redemption prior to maturity. The Series 2022B Senior Bonds maturing on and after July 1, 2033, are subject to redemption prior to maturity, at the option of the Authority, on and after July 1, 2032, as a whole or in part at any time, from such maturities as the Authority shall select, at the redemption price equal to 100% of the principal amount of the Series 2022B Senior Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption.

Mandatory Sinking Fund Redemption. The Series 2022A Senior Bonds maturing on July 1, 2047 (the “Series 2022A Senior Term Bonds (2047)”) are subject to mandatory sinking fund redemption in part prior to maturity. The Authority shall cause to be deposited in the Airport Improvement Principal and Interest Fund amounts sufficient to redeem the principal amounts of the Series 2022A Senior Term Bonds (2047) on the sinking fund payment dates as set forth below.

Sinking Fund Payment Date (July 1)	Principal Amount
2043	$3,945,000
2044	4,155,000
2045	4,365,000
2046	4,600,000
2047*	4,840,000

* Final Maturity.

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The Series 2022A Senior Bonds maturing on July 1, 2052 (the "Series 2022A Senior Term Bonds (2052)") are subject to mandatory sinking fund redemption in part prior to maturity. The Authority shall cause to be deposited in the Airport Improvement Principal and Interest Fund amounts sufficient to redeem the principal amounts of the Series 2022A Senior Term Bonds (2052) on the sinking fund payment dates as set forth below.

Sinking Fund Payment Date (July 1)	**Principal Amount**
2048	$5,090,000
2049	5,350,000
2050	5,615,000
2051	5,895,000
5052*	6,190,000

* Final Maturity.

The Series 2022B Senior Bonds maturing on July 1, 2047 (the "Series 2022B Senior Term Bonds (2047)") are subject to mandatory sinking fund redemption in part prior to maturity. The Authority shall cause to be deposited in the Airport Improvement Principal and Interest Fund amounts sufficient to redeem the principal amounts of the Series 2022B Senior Term Bonds (2047) on the sinking fund payment dates as set forth below.

Sinking Fund Payment Date (July 1)	**Principal Amount**
2043	$21,160,000
2044	22,280,000
2045	23,445,000
2046	24,660,000
2047*	25,970,000

* Final Maturity.

The Series 2022B Senior Bonds maturing on July 1, 2052 and bearing interest at a rate of 5.500% (the "Series 2022B Senior Term Bonds (2052 – 5.500%)") are subject to mandatory sinking fund redemption in part prior to maturity. The Authority shall cause to be deposited in the Airport Improvement Principal and Interest Fund amounts sufficient to redeem the principal amounts of the Series 2022B Senior Term Bonds (2052 – 5.500%) on the sinking fund payment dates as set forth below.

Sinking Fund Payment Date (July 1)	**Principal Amount**
2048	$22,840,000
2049	24,095,000
2050	25,390,000
2051	26,760,000
5052*	28,200,000

* Final Maturity.

The Series 2022B Senior Bonds maturing on July 1, 2052 and bearing interest at a rate of 5.000% (the "Series 2022B Senior Term Bonds (2052 – 5.000%)," and collectively with the Series 2022A Senior Term Bonds (2047), the Series 2022A Senior Term Bonds (2052), the Series 2022B Senior Term Bonds (2047) and the Series 2022B Senior Term Bonds (2052 – 5.500%), the "Series 2022 Senior Term Bonds") are subject to mandatory sinking fund redemption in part prior to maturity. The Authority shall cause to be deposited in the Airport Improvement Principal and Interest Fund amounts sufficient to redeem the principal amounts of the Series 2022B Senior Term Bonds (2052 – 5.000%) on the sinking fund payment dates as set forth below.

Sinking Fund Payment Date (July 1)	**Principal Amount**
2048	$4,490,000
2049	4,720,000
2050	4,980,000
2051	5,255,000
2052*	5,555,000

* Final Maturity.

In lieu of the redemption of the Series 2022 Senior Term Bonds pursuant to, and as a credit against the sinking fund payments required to be made by, the Senior Bond Resolution in connection with the Series 2022 Senior Term Bonds, the Authority may apply Series 2022 Senior Term Bonds theretofore acquired by the Authority or redeemed or purchased otherwise than through operation of the sinking fund and in each case not theretofore applied as a credit against any sinking fund payment. The Authority may, without further authorization or direction, apply the moneys credited to the Airport Improvement Senior Principal and Interest Fund for the retirement of the Series 2022 Senior Term Bonds in term form to the purchase of Series 2022 Senior Term Bonds, at a purchase price (including accrued interest and any brokerage or other charge) not to exceed the principal amount thereof, plus accrued interest, in which event the principal amount of such Series 2022 Senior Term Bonds required to be redeemed on the next ensuing sinking fund installment date shall be reduced by the principal amount of the Series 2022 Senior Term Bonds so purchased; provided, however, that no Series 2022 Senior Term Bonds shall be purchased during the interval between the date on which notice of redemption of said Series 2022 Senior Term Bonds from sinking fund installments is given and the date of redemption set forth in such notice, unless the Series 2022 Senior Term Bonds so purchased are Series 2022 Senior Term Bonds called for redemption in such notice or are purchased from moneys other than those credited to the Airport Improvement Principal and Interest Fund with respect to sinking fund installments for such Series 2022 Senior Term Bonds. Any purchase of Series 2022 Senior Term Bonds pursuant to this paragraph may be made with or without tenders of Series 2022 Senior Term Bonds and at either public or private sale. All Series 2022 Senior Term Bonds purchased or redeemed pursuant to this paragraph shall be cancelled and not reissued.

Extraordinary Optional Redemption of the Series 2022 Senior Bonds. The Series 2022 Senior Bonds are subject to redemption at the option of the Authority, in whole at any time, at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption, in the event of the destruction or damage to all or substantially all of the Airport, or the condemnation of the Airport, from money deposited in the Senior Bond Redemption Fund pursuant to the Senior Bond Resolution.

Selection of Series 2022 Senior Bonds to be Redeemed. Principal of the Series 2022 Senior Bonds may be redeemed in part only in Authorized Denominations. If a Series 2022 Senior Bond subject to redemption is in a denomination larger than the initial Authorized Denomination, a portion of such Series

2022 Senior Bond may be redeemed, but only in integral multiples as permitted by the definition of Authorized Denomination.

Notwithstanding the foregoing, so long as DTC or its nominee is the registered owner of the Series 2022 Senior Bonds, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series or maturity of Series 2022 Senior Bonds to be redeemed. See "APPENDIX H – BOOK-ENTRY ONLY SYSTEM AND GLOBAL CLEARANCE PROCEDURES."

Notice of Redemption. Notice of redemption of the Series 2022 Senior Bonds shall be mailed not less than 30 days or more than 60 days prior to the redemption date of any Series 2022 Senior Bond, by first class mail, postage prepaid, to the holder of such Series 2022 Senior Bonds at the address as it appears on the books of registry.

If at the time of the giving of any notice of optional or extraordinary redemption there shall not be on deposit with the Paying Agent moneys sufficient to redeem all the Series 2022 Senior Bonds called for redemption, the notice of redemption shall state that the redemption of such Series 2022 Senior Bonds is conditional and subject to deposit of moneys with the Paying Agent sufficient to redeem all such Series 2022 Senior Bonds not later than the opening of business on the redemption date, and that such notice shall be of no effect with respect to any of such Series 2022 Senior Bonds for which moneys are not on deposit. If the amount on deposit with the Paying Agent, or otherwise available, is insufficient to pay the redemption price and accrued interest on the Series 2022 Senior Bonds called for redemption on such date, the Paying Agent shall redeem and pay on such date an amount of such Series 2022 Senior Bonds for which such moneys or other available funds are sufficient, selecting the maturities of Series 2022 Senior Bonds to be redeemed and Series 2022 Senior Bonds within a maturity to be redeemed by lot.

Registration Provisions; Transfer and Exchange

The Series 2022 Senior Bonds are issued in fully registered form and are initially to be registered in the name of Cede & Co., as nominee for DTC, as securities depository for the Series 2022 Senior Bonds. Purchases by Beneficial Owners of the Series 2022 Senior Bonds are to be made in book-entry form in the principal amount of $5,000 or any integral multiple thereof. Payments to Beneficial Owners are to be made as described in APPENDIX H. The Series 2022 Senior Bonds may be exchanged or transferred at the principal office of the Paying Agent.

No charge is to be imposed upon registered owners in connection with the transfer or exchange except for taxes and governmental charges related thereto. Transfers or exchanges by Beneficial Owners are to be made as described below under "APPENDIX H – BOOK-ENTRY ONLY SYSTEM AND GLOBAL CLEARANCE PROCEDURES."

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 SENIOR BONDS

Brief descriptions of the security and source of payment for the Series 2022 Senior Bonds, the flow of funds under the Senior Bond Resolution, the Airport Improvement Bond Reserve Fund, the Authority's rate covenant set forth in the Senior Bond Resolution and certain other provisions of the Senior Bond Resolution and the Subordinate Bond Resolution are provided herein. The descriptions provided herein are qualified in their entirety by the applicable provisions of the Senior Bond Resolution and the Subordinate Bond Resolution. See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION" and "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE BOND RESOLUTION."

Pledge of Net Revenues

The Series 2022 Senior Bonds are special limited obligations of the Authority secured by a pledge of and lien on Net Revenues derived by the Authority from the operation of the Airport System on a parity with the Existing Senior Bonds and any Additional Senior Bonds issued in the future. Net Revenues, as defined in the Senior Bond Resolution, consist of Airport Revenues less Operating Expenses for the applicable period.

"Airport Revenues" is defined in the Senior Bond Resolution to mean all income and revenue from all sources, without limitation except as expressly provided in the Senior Bond Resolution, collected or received by the Authority in the operation of the Airport System, including all rates, charges, rentals, fees and any other compensation collected, or received by the Authority in connection with the operation of the Airport System, any money transferred from the Nashville Airports Experience (NAE) Fund, all investment income earned by the Authority except as otherwise expressly provided in the Senior Bond Resolution and any amounts not constituting Airport Revenues which are deposited in the Revenue Fund to be applied in accordance with the provisions of the Senior Bond Resolution; ***but shall exclude*** (a) any income or revenue from any Special Facility (other than rental properly attributable to administrative and other expenses of the Airport System) at any time during which there shall be outstanding any Special Facility Revenue Bonds with respect to such Special Facility, (b) any grant or any similar payment from any government or public agency (including the COVID-19 Federal Relief Funds (as defined under "COVID-19 PANDEMIC ISSUES AND IMPACTS – Financial Condition and Liquidity – Federal Aid Related to COVID-19")), (c) any arbitrage earnings which are required to be paid to the U.S. Government pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the rulings and regulations promulgated thereunder, (d) the proceeds of any Support Facility, (e) the proceeds of any passenger facility, customer facility or analogous charge or fee that may be levied (whether levied on the use of the Airport System, on transportation, or otherwise) which are received and retained by the Authority, and (f) earnings on amounts on deposit in the Construction Fund; provided, however, that, for purposes of calculating the coverage requirements set forth under the caption "– Rate Covenant" below, transfers from the Nashville Airports Experience (NAE) Fund (i) shall consist only of deposits made to the Nashville Airports Experience (NAE) Fund in a prior Fiscal Year and (ii) shall not exceed 25% of Debt Service on all Senior Bonds Outstanding. See "AMENDMENTS TO SENIOR BOND RESOLUTION" below for a description of certain circumstances under which the Authority will be permitted to make additional exclusions from Airport Revenues.

"Operating Expenses" is defined in the Senior Bond Resolution to mean, with respect to any period of time, all necessary and reasonable expenses incurred (whether paid or accrued) in the maintenance, operation, administration and insuring of the Airport System, including, without limitation, (a) salaries, wages and costs of fringe benefits including employee pension or retirement plans, health insurance, and other fringe benefits provided the aggregate cost of such fringe benefits are comparable to those provided employees of airports of similar size as the Airport System, (b) payments made to the Metropolitan Government for contract services actually performed, and (c) costs of materials, supplies and contractual services; but shall not include any of the Authority's expenses, if any, related to the operation, maintenance, administration, insuring, construction or modification of any Special Facility or the cost of any service provided by a governmental agency for which no charge is paid by the Authority; and total Operating Expenses shall be reduced by any reimbursement received by the Authority from any source on account of Operating Expenses. The term "Operating Expenses" ***shall not include***: (i) any allowance for depreciation or any amounts for capital replacements or reserves therefor; (ii) costs of extensions, enlargements, betterments and improvements to the Airport System or reserves therefor; (iii) reserves for operation, maintenance, renewals and repairs occurring in the normal course of business; (items (i), (ii), (iii) will be computed using generally accepted accounting principles), (iv) payment (including redemption) of Senior Bonds or other evidences of indebtedness or interest and premium thereof or reserves therefor and (v) any arbitrage earnings which are required to be paid to the U.S. Government pursuant to Section 148 of the Code, and the rulings and regulations promulgated thereunder.

See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION."

Pledge of PFC Revenues to Senior Bonds and Other Obligations

PFC Revenues are excluded from the definition of Airport Revenues, and therefore, are not pledged to the payment of Debt Service unless PFC Revenues are otherwise designated as Airport Revenues and pledged to pay Debt Service on a Series of PFC Bonds pursuant a Supplemental Resolution. Accordingly, the Authority may pledge PFC Revenues, to secure one or more Series of Senior Bonds under the Senior Bond Resolution and/or one or more Series of Subordinate Bonds under the Subordinate Bond Resolution. The Authority has not issued any such PFC Bonds. See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION – Additional Senior Bonds and Other Indebtedness – Passenger Facility Charges" and "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE BOND RESOLUTION – Additional Subordinate Bonds and Other Indebtedness – Passenger Facility Charges."

PFC Revenues also may be used, at the Authority's discretion, to pay Debt Service associated with Senior Bonds and/or Subordinate Bonds issued to fund PFC approved projects. Accordingly, the Authority has been paying and intends to continue to pay a portion of the Debt Service on the Series 2015A Senior Bonds, the Series 2015B Senior Bonds and the Series 2019B Subordinate Bonds from available PFC Revenues, and also intends to pay a portion of the Debt Service on the Series 2022 Senior Bonds related to the portion of the proceeds of the Series 2022 Senior Bonds used to fund PFC eligible projects from available PFC Revenues. See "– Flow of Funds" below and "INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES – Passenger Facility Charges."

Limited Obligations

THE SERIES 2022 SENIOR BONDS SHALL NOT IN ANY MANNER OR TO ANY EXTENT CONSTITUTE OR BE A CHARGE UPON ANY MONEYS OR PROPERTY OF THE AUTHORITY NOT SPECIFICALLY PLEDGED THERETO UNDER THE SENIOR BOND RESOLUTION, OR CONSTITUTE OR BE AN OBLIGATION OF THE METROPOLITAN GOVERNMENT OR OF ANY MUNICIPALITY OR POLITICAL SUBDIVISION OF THE STATE OTHER THAN THE AUTHORITY AND SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE OWNERS OF THE SERIES 2022 SENIOR BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION OR OUT OF ANY FUNDS OR RESOURCES OTHER THAN NET REVENUES. THE AUTHORITY HAS NO TAXING POWER.

Flow of Funds

The Senior Bond Resolution and the Subordinate Bond Resolution provide that the Authority must deposit all Airport Revenues into the Revenue Fund to be disbursed in the following order of priority:

(a) Make monthly deposits to the credit of the Operating Fund to pay Operating Expenses.

(b) Make deposits to the credit of the Commitment Fee Fund to pay commitment fees on Support Facilities entered into with respect to Senior Bonds.

(c) Make monthly deposits to the credit of the Airport Improvement Principal and Interest Fund to pay Debt Service on Senior Bonds.

(d) Make deposits to the credit of the Airport Improvement Bond Reserve Fund in the amounts required by the Senior Bond Resolution.

(e) Make deposits to the Support Facility Fund to pay all other amounts owing on Support Facilities entered into with respect to Senior Bonds.

(f) Make deposits to the credit of the Subordinate Commitment Fee Fund to pay commitment fees on Support Facilities entered into with respect to Subordinate Bonds.

(g) Make monthly deposits to the credit of the Subordinate Principal and Interest Fund to pay Debt Service on the Subordinate Bonds.

(h) Make monthly deposits to the credit of the Subordinate Bond Reserve Fund to maintain the Subordinate Bond Reserve Fund Requirement with respect to the Common Reserve Bonds or with respect to a Series of Subordinate Bonds.

(i) Make deposits to the Subordinate Support Facility Fund to pay all other amounts owing on Support Facilities entered into with respect to Subordinate Bonds.

(j) Provide for the payment of Other Subordinate Obligations and any amounts required to be deposited in any reserve funds established therefor.

(k) Maintain the amount required to be on deposit in the Operations and Maintenance Reserve Fund.

(l) Maintain the amount required to be on deposit in the Renewal and Replacement Fund.

(m) Money thereafter remaining in the Revenue Fund will be deposited in the Nashville Airports Experience (NAE) Fund.

The deposits required to be made pursuant to paragraphs (c) or (g) above shall not include principal or interest on Senior Bonds or Subordinate Bonds paid or to be paid from amounts that are not Airport Revenues; provided, however, that in order to exclude deposits required to be made pursuant to paragraphs (c) or (g) above with respect to principal or interest on Senior Bonds or Subordinate Bonds paid or to be paid from PFC Revenues, the Authority must designate such PFC Revenues as "PFCs Available for Debt Service" by filing a certificate signed by a Designated Financial Officer that includes (a) a representation on behalf of the Authority that such PFC Revenues, when received by the Authority, may be validly designated as and included in "PFCs Available for Debt Service" and are or will be legally available to pay the principal of, premium, if any, and interest on all or a portion of the Senior Bonds or Subordinate Bonds, (b) the amount of PFC Revenues that are being designated as and included in "PFCs Available for Debt Service," (c) identify the special account(s) such "PFCs Available for Debt Service" are to be deposited to, and (d) the time period during which such PFC Revenues will be designated as and included in "PFCs Available for Debt Service." After the filing of such certificate, the Authority shall cause the "PFCs Available for Debt Service" designated therein to be deposited to the special account(s) identified in such certificate and used to pay principal of and interest on the applicable Series of Senior Bonds or Subordinate Bonds. Notwithstanding any other provision hereof, if such "PFCs Available for Debt Service" are subject to any prior pledge or lien or irrevocable commitment, the application thereof to the payment of principal of and interest on the Senior Bonds or Subordinate Bonds shall be subordinate to the terms of such pledge or lien or irrevocable commitment and the certificate of the Designated Financial Officer designating the "PFCs Available for Debt Service" shall indicate the amount of the obligation payable in such Fiscal Year from the "PFCs Available for Debt Service" pursuant to such pledge or lien or irrevocable commitment.

The diagram set forth below presents a summary of certain funds and accounts and the priority for the flow of Airport Revenues and certain other amounts to such funds and accounts as governed by the provisions of the Senior Bond Resolution and the Subordinate Bond Resolution. See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION – Application of Airport Revenues" and "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE BOND RESOLUTION – Application of Airport Revenues." See also "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 SENIOR BONDS – Pledge of Net Revenues" for a description of the types of income and revenues of the Authority included in, and excluded from, the definition of Airport Revenues.

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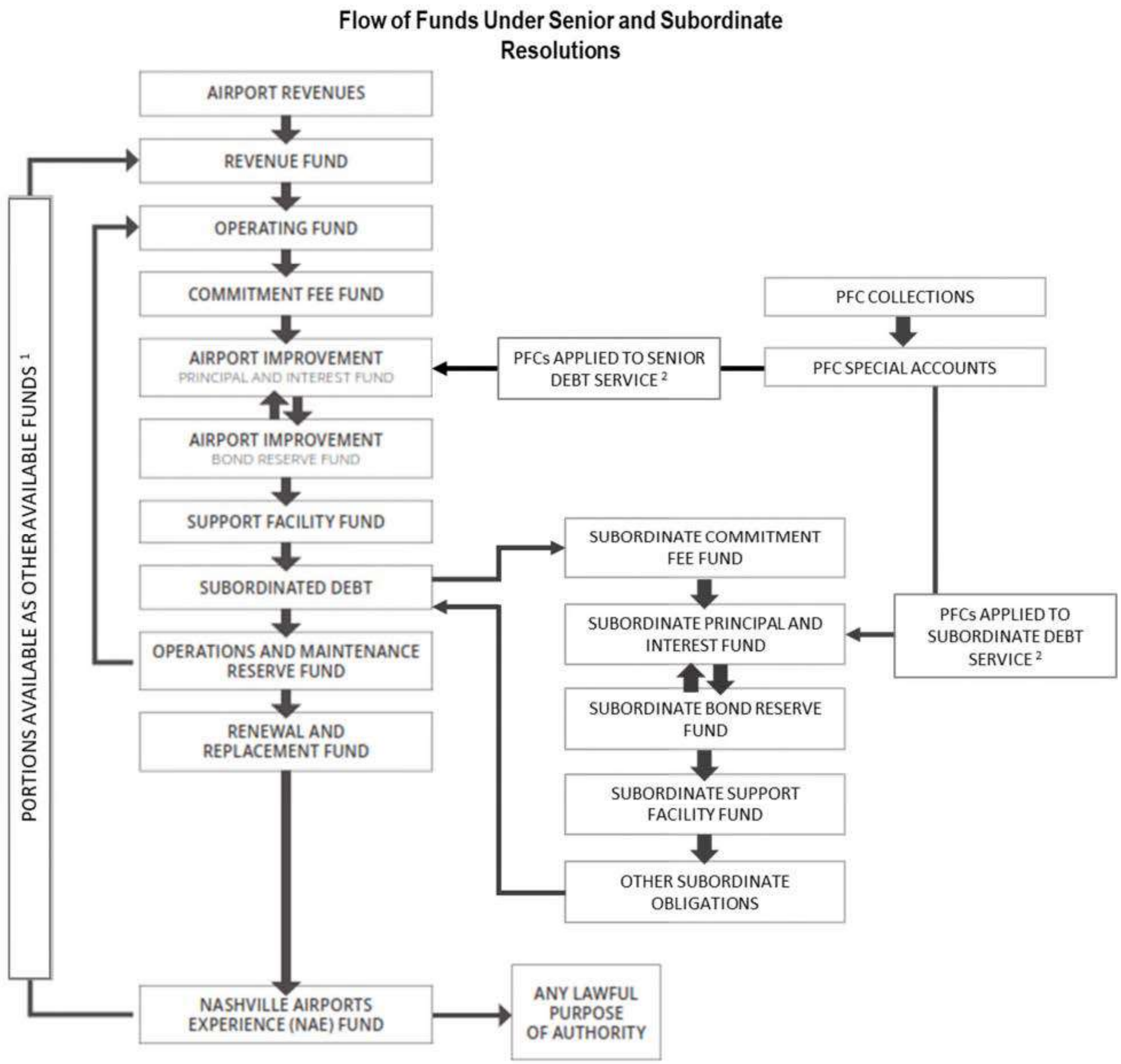

(1) Nashville Airports Experience (NAE) Fund transfers limited to 25% of Senior Debt Service.
(2) PFCs are applied to debt service at the discretion of the Authority and are not pledged as Net Revenues.
Source: Senior Bond Resolution and Subordinate Bond Resolution.

Airport Improvement Bond Reserve Fund

The Master Senior Resolution provides for the establishment of an Airport Improvement Bond Reserve Fund in which there is required to be established and maintained an account with respect to each Series of Senior Bonds. Each such account must be maintained in an amount equal to the Airport Improvement Bond Reserve Fund Requirement with respect to such Series of Senior Bonds and will be disbursed solely for the purpose of paying principal of and interest on Senior Bonds of the Series for which such account was established for the payment of which there are insufficient money in the Airport Improvement Principal and Interest Fund and the holders of any other Series of Senior Bonds will have no right to payment of principal of or interest on Senior Bonds from or lien on amounts on deposit in such account. Purchasers of the Series 2022 Senior Bonds, by acceptance of their respective Series 2022 Senior Bonds, shall be deemed to have consented to and approved an amendment to the foregoing provisions to allow the Authority to establish one account for one or more Series of Senior Bonds in the Airport Improvement Bond Reserve Fund. See “AMENDMENTS TO SENIOR BOND RESOLUTION” below and “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION – Provisions Not Yet Effective – Provisions Effective Upon Issuance of the Series 2022 Senior Bonds – Airport Improvement Bond Reserve Fund.” The Authority will establish a single account in the Airport Improvement Bond Reserve Fund for Common Reserve Bonds pursuant to the Twenty-First Supplemental Senior Resolution, which account is required to be maintained in an amount equal to the Airport Improvement Bond Reserve Fund Requirement for Common Reserve Bonds. Common Reserve Bonds are those Senior Bonds that are designated as such in a Supplemental Resolution. The Series 2015A Senior Bonds, the Series 2015B Senior Bonds and the Series 2022 Senior Bonds have been designated as Common Reserve Bonds in the Twenty-First Supplemental Senior Resolution.

Unless otherwise provided in a Supplemental Resolution, the Airport Improvement Bond Reserve Fund Requirement for the Common Reserve Bonds, including the Series 2022 Senior Bonds, shall be the lesser of (a) the greatest amount of principal and interest payable on the Common Reserve Bonds, including the Series 2022 Senior Bonds in the then current or any future Fiscal Year, (b) 125% of the average annual principal and interest payable on the Common Reserve Bonds, including the Series 2022 Senior Bonds, or (c) 10% of the proceeds of the Common Reserve Bonds, including the Series 2022 Senior Bonds. At the time of issuance of the Series 2022 Senior Bonds, the Airport Improvement Bond Reserve Fund Requirement for the Common Reserve Bonds will be equal to $55,436,168.75. At the time of issuance of the Series 2022 Senior Bonds, a portion of the proceeds of the Series 2022 Senior Bonds will be deposited to the Bond Reserve Account, Common Reserve Bonds in the Airport Improvement Bond Reserve Fund, along with all other amounts on deposit in the Bond Reserve Account, 2015A and Bond Reserve Account, 2015B in the Airport Improvement Bond Reserve Fund, and the Airport Improvement Bond Reserve Fund Requirement for the Common Reserve Bonds will be fully funded with cash and securities.

The Series 2003B Senior Bonds have not been designated as Common Reserve Bonds and are secured by a separate account in the Airport Improvement Bond Reserve Fund, which is funded with a Municipal Bond Debt Service Reserve Fund Policy in the maximum amount of $1,354,471 initially issued by Financial Guaranty Insurance Company and assumed by National Public Finance Guarantee Corporation. The Airport Improvement Bond Reserve Fund Requirement with respect to the Series 2003B Senior Bonds is the greatest amount of principal and interest payable on the Series 2003B Senior Bonds in the then current or any future Fiscal Year.

See “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION – Funds and Accounts – Airport Improvement Bond Reserve Fund.”

Rate Covenant

The Authority is obligated under the Senior Bond Resolution to impose rates, rentals, fees and charges sufficient to produce Airport Revenues after deducting Operating Expenses, which, together with other available funds, will at least equal 125% of Debt Service on all Outstanding Senior Bonds. In addition, the Authority has covenanted under the Senior Bond Resolution to impose rates, rentals, fees and charges such as will produce Airport Revenues at least sufficient (i) to pay the principal of, interest and premium on the Outstanding Senior Bonds as and when the same become due (whether at maturity or upon required redemption prior to maturity or otherwise); (ii) to pay as and when the same become due all Operating Expenses; (iii) to pay as and when the same become due any and all other claims, charges or obligations payable from Airport Revenues; and (iv) to carry out all provisions and covenants of the Senior Bond Resolution.

The failure to comply with the rate covenant contained in the Senior Bond Resolution will not constitute an Event of Default under the Senior Bond Resolution if the Authority, within 120 days of such failure to comply, (i) causes an Airport Consultant to make a study for the purpose of making recommendations with respect to rates, rentals, fees and charges for the Airport System in order to provide funds for all the payments and other requirements of the Senior Bond Resolution, (ii) considers the recommendations of the Airport Consultant, and (iii) takes such action as the Authority, in its discretion, may deem necessary to comply with the rate covenant.

See also "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION – Senior Rate Covenant" for a description of the Senior Rate Covenant.

Additional Indebtedness

The Authority may issue Additional Senior Bonds if, either (i) a Designated Financial Officer has certified that, based on the latest available audited financial statements of the Authority, the Airport Revenues after deducting Operating Expenses for that Fiscal Year as derived from said audited financial statements equaled not less than 100% of average Debt Service on all Outstanding Senior Bonds and the Senior Bonds of the Series then proposed to be issued and any amount required to be deposited in the Airport Improvement Bond Reserve Fund to make up any deficiencies therein, or (ii) an Airport Consultant has certified that estimated Airport Revenues after deducting Operating Expenses to be derived in each of the three full Fiscal Years following the Fiscal Year in which (a) the Authority estimates a substantial portion of the Project or Projects, the costs of acquisition or construction of which are to be financed by the issuance of such Additional Senior Bonds, will be placed in continuous service or in commercial operation, or (b) Refunding Senior Bonds are issued, equal not less than 125% of the Debt Service on all Outstanding Senior Bonds upon the issuance of such Additional Senior Bonds and including such Additional Senior Bonds and 100% of any amount required to be deposited in the Airport Improvement Bond Reserve Fund to make up any deficiencies therein. The Authority also may issue Completion Senior Bonds, Refunding Senior Bonds, special facility revenue bonds and subordinate indebtedness under the Senior Bond Resolution without complying with the test described above under the conditions described under "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION – Additional Senior Bonds and Other Indebtedness."

Events of Default and Remedies

The Senior Bond Resolution constitutes a contract between the Authority and the owners from time to time of the Series 2022 Senior Bonds, and the pledge, covenants, and agreements of the Authority set forth in the Senior Bond Resolution are for the equal benefit, protection, and security of the owners of the Series 2022 Senior Bonds with respect to the Net Revenues.

In the event of a default under the Senior Bond Resolution, the realization of value from the pledge of the Net Revenues to secure the payment of the Series 2022 Senior Bonds would depend upon the exercise of various remedies specified by the Senior Bond Resolution and Tennessee law. These remedies may require judicial actions, which are often subject to discretion and delay and which may be difficult to pursue. The enforceability of rights or remedies with respect to the Series 2022 Senior Bonds may be limited by state and federal laws, rulings, and decisions affecting remedies and by bankruptcy, insolvency, or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION – Defaults and Remedies."

The remedy of acceleration is currently available with respect to Events of Default under the Senior Bond Resolution with respect to the Senior Bonds, however, the purchasers of the Series 2022 Senior

Bonds, by acceptance of their respective Series 2022 Senior Bonds, shall be deemed to have consented to and approved certain amendments to the Senior Bond Resolution, including elimination of the remedy of acceleration, which elimination will be effective no later than July 1, 2045. See "AMENDMENTS TO SENIOR BOND RESOLUTION" below and "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION – Provisions Not Yet Effective – Provisions That Will Be Effective Upon Retirement of the Series 2003B Senior Bonds and Series 2015 Senior Bonds (July 1, 2045); Acceleration as a Remedy."

AMENDMENTS TO SENIOR BOND RESOLUTION

General

The Authority may amend the Senior Bond Resolution with the consent of the holders of not less than 66-2/3% in aggregate principal amount of the Senior Bonds at the time Outstanding as described under "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION – Supplemental Resolutions – Supplements with Consent," subject to certain limitations set forth thereunder. Certain amendments that are not yet in effect were made to the Senior Bond Resolution in a Nineteenth Supplemental Resolution adopted by the Authority in connection with the issuance of the Series 2015 Senior Bonds and in a Twentieth Supplemental Resolution adopted by the Authority in connection with the issuance of the Series 2019 Subordinate Bonds. The purchasers of the Series 2022 Senior Bonds, by acceptance of their respective Series 2022 Senior Bonds, shall be deemed to have consented to and approved all of these amendments. These amendments are set forth under "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION – Provisions Not Yet Effective."

Changes to Which the Holders of the Series 2022 Senior Bonds Are Deemed to Be Consenting That Are Effective Upon the Issuance of the Series 2022 Senior Bonds

Upon issuance, the Series 2022 Senior Bonds will constitute more than 66-2/3% in aggregate principal amount of all Senior Bonds Outstanding. The amendments (the "2022 Amendments") set forth under "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION – Provisions Not Yet Effective – Provisions Effective Upon Issuance of the Series 2022 Senior Bonds" are amendments that become effective upon 66-2/3% in aggregate principal amount of all Bonds Outstanding. Accordingly, the 2022 Amendments will become effective upon the issuance of the Series 2022 Senior Bonds.

Changes to Which the Holders of the Series 2022 Senior Bonds Are Deemed to Be Consenting But Which Will Be Effective Only When the Series 2003B Senior Bonds Are No Longer Outstanding (July 1, 2033)

The amendments (the "2033 Amendments") set forth in under "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION – Provisions Not Yet Effective – Provisions That Will Be Effective Upon Retirement of the Series 2003B Senior Bonds (July 1, 2033)" were deemed to have been consented to by the Series 2015 Senior Bonds at the time of the issuance thereof. Under the provisions of the Nineteenth Supplemental Resolution, the 2033 Amendments will become effective at such time as either (i) the Senior Bonds Outstanding immediately prior to the issuance of the Series 2015 Senior Bonds are no longer Outstanding, or (ii) all the Bondholders of Senior Bonds Outstanding immediately prior to the issuance of the Series 2015 Senior Bonds, or any Support Facility provider required to give such consents on behalf of such Bondholders, consent to such amendments. The Series 2003B Senior Bonds are the only Senior Bonds currently Outstanding that were Outstanding immediately prior to the issuance of the Series 2015 Senior Bonds. The Authority does not currently expect to seek consents of the Bondholders of the Series 2003B Senior Bonds to the 2033 Amendments.

Accordingly, the 2033 Amendments are expected to take effect upon the final payment of the Series 2003B Senior Bonds, which is July 1, 2033.

Changes to Which the Holders of the Series 2022 Senior Bonds Are Deemed to Be Consenting But Which Will Be Effective Only When the Series 2003B Senior Bonds and Series 2015 Senior Bonds Are No Longer Outstanding (July 1, 2045).

Under the provisions of the Twentieth Supplemental Resolution, the amendments (the "2045 Amendments") set forth in under "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION – Provisions Not Yet Effective – Provisions That Will Be Effective Upon Retirement of the Series 2003B Senior Bonds and Series 2015 Bonds (July 1, 2045)" will become effective at such time as either (i) the Senior Bonds Outstanding immediately prior to the adoption of the Twentieth Supplemental Resolution are no longer Outstanding, or (ii) all the Bondholders of Senior Bonds Outstanding immediately prior to the adoption of the Twentieth Supplemental Resolution, or any Support Facility provider required to give such consents on behalf of such Bondholders, consent to such amendments. The Series 2003B Senior Bonds and the Series 2015 Senior Bonds are the only Senior Bonds currently Outstanding that were Outstanding at the time of the adoption of the Twentieth Supplemental Resolution. The Authority does not currently expect to seek consents of the Bondholders of the Series 2003B Senior Bonds or the Series 2015 Senior Bonds to the 2045 Amendments. Accordingly, the 2045 Amendments are expected to take effect upon the final payment of the Series 2015 Senior Bonds, which is July 1, 2045.

OUTSTANDING AUTHORITY OBLIGATIONS

Existing Senior Bonds

The following table sets forth the Existing Senior Bonds that were Outstanding as of November 1, 2022. The Existing Senior Bonds are special limited obligations of the Authority payable from and secured by a pledge of and lien on the Net Revenues on parity with the Series 2022 Senior Bonds.

Existing Senior Bonds
(as of November 1, 2022)

Series	Original Principal Amount	Outstanding Principal Amount	Final Maturity Date (July 1)
Airport Improvement Revenue Bonds, Series 2003B (Taxable)	$ 19,585,000	$ 10,725,000	2033
Airport Improvement Revenue Bonds, Series 2015A (Non-AMT)[(1)]	91,855,000	82,740,000	2045
Airport Improvement Revenue Bonds, Series 2015B (AMT)[(1)]	108,145,000	97,690,000	2045
Total	$219,585,000	$191,155,000	

(1) A portion of the Series 2015A Senior Bonds and a portion of the Series 2015B Senior Bonds are being paid from available PFC Revenues as a result of a portion of the proceeds of the Series 2015A Senior Bonds and the Series 2015B Senior Bonds being used to fund PFC eligible projects. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 SENIOR BONDS – Pledge of PFC Revenues to Senior Bonds and Other Obligations" and "INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES – Passenger Facility Charges" herein.

Source: Metropolitan Nashville Airport Authority.

Existing Subordinate Bonds and Other Subordinate Obligations

The following is a summary of the currently outstanding Existing Subordinate Bonds (the Series 2019 Subordinate Bonds) and certain Other Subordinate Obligations authorized under the Subordinate Bond Resolution.

Existing Subordinate Bonds. The following table sets forth the Existing Subordinate Bonds that were outstanding as of November 1, 2022. The Existing Subordinate Bonds are special limited obligations of the Authority payable from and secured by a pledge of and lien on the Net Revenues subordinate to the pledge of and lien on the Net Revenues created in the Senior Bond Resolution for the payment and security of the Senior Bonds (including the Series 2022 Senior Bonds).

Existing Subordinate Bonds
(as of November 1, 2022)

Series	Original Principal Amount	Outstanding Principal Amount	Final Maturity Date (July 1)
Subordinate Airport Revenue Bonds, Series 2019A (Non-AMT)	$254,435,000	$254,435,000	2054
Subordinate Airport Revenue Bonds, Series 2019B (AMT)[(1)]	665,150,000	665,150,000	2054
Total	$919,585,000	$919,585,000	

[(1)] A portion of the Series 2019B Subordinate Bonds are being paid from available PFC Revenues as a result of a portion of the proceeds of the Series 2019B Subordinate Bonds being used to fund PFC eligible projects. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 SENIOR BONDS – Pledge of PFC Revenues to Senior Bonds and Other Obligations" and "INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES – Passenger Facility Charges" herein.

Source: Metropolitan Nashville Airport Authority.

The payment of principal of and interest on the Series 2019 Subordinate Bonds are Other Obligations authorized under the Subordinate Bond Resolution and are equally and ratably secured by a pledge of and lien upon the Net Revenues, subject and subordinate to the pledge of and lien on the Net Revenues created in the Senior Bond Resolution for the payment and security of the Senior Bonds, including the Series 2022 Senior Bonds, the Existing Senior Bonds and any other Additional Senior Bonds and senior to the payment obligations of the Authority under the Note Purchase Agreement as to the pledge of, lien on and source of payment from the Net Revenues.

Other Subordinate Obligations - Note Purchase Agreement. Pursuant to the Note Purchase Agreement, the Authority has agreed to issue and Bank of America has agreed to purchase various tax-exempt and taxable notes of the Authority, from time to time, upon satisfaction of the terms and conditions set forth in the Note Purchase Agreement. Currently, Bank of America has agreed to make advances pursuant to the Note Purchase Agreement from time to time in an aggregate principal amount not to exceed $300,000,000 (the "Available Commitment") for interim financing of the Authority's Capital Program. As of November 1, 2022, $162.1 million was outstanding under the Note Purchase Agreement. The payment of the principal of and interest on the amounts due under the Note Purchase Agreement are secured by a lien and pledge on the Net Revenues, junior and inferior and subject and subordinate in payment to the lien and pledge on the Net Revenues created under the Senior Bond Resolution for the payment of and security for the Senior Bonds (including the Series 2022 Senior Bonds) and junior and inferior and subject and subordinate in payment to the lien and pledge on the Net Revenues created under the Subordinate Bond Resolution for the payment of and security for the Subordinate Bonds. A portion of the outstanding balance of the existing notes outstanding under the Note Purchase Agreement will be repaid from a portion of the proceeds of the Series 2022 Senior Bonds, and, on or about the date of issuance of the Series 2022 Senior Bonds, new notes in the amount of $300,000,000 will be issued under the Note Purchase Agreement and exchanged for outstanding notes and will be available to the Authority for interim financing to fund, among other things, certain elements of the Authority Capital Program.

Anticipated Future Borrowing

In connection with the preparation of the Report of the Airport Consultant, the Airport Consultant assumed that the Authority will issue Additional Senior Bonds in 2024 and 2026 in the approximate principal amount of $1.9 billion to fund a portion of the costs of projects in BNA Vision, New Horizon and in the CIP (the "Anticipated Future Bonds"). However, the timing, lien position and amount of the Anticipated Future Bonds will ultimately be determined by the Authority based upon a careful balancing by the Authority of imperatives related to accommodating evolving priorities with respect to demand-driven traffic activity, operational needs of the Airport, and sound financial management of the Authority's available revenues and debt capacity. See "AUTHORITY CAPITAL PROGRAM – Anticipated Funding Sources for Authority Capital Programs" and "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Financial Framework and Analysis – The Series 2022 Senior Bonds and Future Bonds."

Additionally, the Authority continues to monitor market conditions for refunding opportunities and may issue Senior Refunding Bonds and/or Subordinate Refunding Bonds from time to time in order to realize debt service savings and/or other financial benefits to the Authority.

DEBT SERVICE REQUIREMENTS

The following table presents the estimated annual debt service obligations of the Authority on the Existing Senior Bonds, the Series 2022 Senior Bonds and the Existing Subordinate Bonds. For additional information relating to the Existing Senior Bonds and the Existing Subordinate Bonds, see "OUTSTANDING AUTHORITY OBLIGATIONS" herein

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DEBT SERVICE REQUIREMENTS FOR SENIOR BONDS AND SUBORDINATE BONDS[(1)(2)]

Fiscal Year	Total Debt Service on Existing Senior Bonds[(3)]	Series 2022A Senior Bonds		Series 2022B Senior Bonds		Total Debt Service on Outstanding Senior Bonds[(4)]	Total Debt Service on Existing Subordinate Bonds[(4)(5)(6)]	Total Aggregate Debt Service
		Principal	Interest[(4)]	Principal	Interest[(4)]			
2023	$ 14,692,670	–	$ 1,346,520	–	$ 845,368	$ 16,884,558	$ 27,515,500	$ 44,400,058
2024	14,691,616	–	4,781,013	–	6,450,000	25,922,628	41,569,800	67,492,428
2025	14,692,672	–	4,781,013	–	16,557,069	36,030,753	55,239,250	91,270,003
2026	14,698,655	$ 1,720,000	4,781,013	$ 8,855,000	26,737,838	56,792,505	55,245,000	112,037,505
2027	14,694,618	1,810,000	4,695,013	9,290,000	26,295,088	56,784,718	55,243,250	112,027,968
2028	14,696,761	1,900,000	4,604,513	9,755,000	25,830,588	56,786,861	55,238,000	112,024,861
2029	14,693,737	1,990,000	4,509,513	10,240,000	25,342,838	56,776,087	55,233,000	112,009,087
2030	14,693,196	2,090,000	4,410,013	10,755,000	24,830,838	56,779,046	55,246,750	112,025,796
2031	14,694,091	2,195,000	4,305,513	11,295,000	24,293,088	56,782,691	55,231,750	112,014,441
2032	14,695,375	2,305,000	4,195,763	11,855,000	23,728,338	56,779,475	55,242,750	112,022,225
2033	14,696,001	2,425,000	4,080,513	12,475,000	23,105,950	56,782,463	55,236,750	112,019,213
2034	13,339,969	2,545,000	3,959,263	13,140,000	22,451,013	55,435,244	56,592,750	112,027,994
2035	13,341,719	2,670,000	3,832,013	13,820,000	21,761,163	55,424,894	56,590,750	112,015,644
2036	12,894,219	2,805,000	3,698,513	14,545,000	21,035,613	54,978,344	57,043,250	112,021,594
2037	12,898,969	2,945,000	3,558,263	15,350,000	20,235,638	54,987,869	57,030,250	112,018,119
2038	12,898,469	3,090,000	3,411,013	16,200,000	19,391,388	54,990,869	57,031,500	112,022,369
2039	12,901,969	3,245,000	3,256,513	17,090,000	18,500,388	54,993,869	57,033,750	112,027,619
2040	12,898,219	3,410,000	3,094,263	18,030,000	17,560,438	54,992,919	57,039,250	112,032,169
2041	12,901,469	3,580,000	2,923,763	19,010,000	16,568,788	54,984,019	57,040,000	112,024,019
2042	12,895,219	3,755,000	2,744,763	20,055,000	15,523,238	54,973,219	57,038,250	112,011,469
2043	12,898,719	3,945,000	2,557,013	21,160,000	14,420,213	54,980,944	57,036,000	112,016,944
2044	12,900,219	4,155,000	2,349,900	22,280,000	13,309,313	54,994,431	57,030,000	112,024,431
2045	12,899,231	4,365,000	2,131,763	23,445,000	12,139,613	54,980,606	57,032,000	112,012,606
2046	–	4,600,000	1,902,600	24,660,000	10,908,750	42,071,350	69,935,650	112,007,000
2047	–	4,840,000	1,661,100	25,970,000	9,614,100	42,085,200	69,928,050	112,013,250
2048	–	5,090,000	1,407,000	27,330,000	8,250,675	42,077,675	69,935,300	112,012,975
2049	–	5,350,000	1,152,500	28,815,000	6,769,975	42,087,475	69,931,850	112,019,325
2050	–	5,615,000	885,000	30,370,000	5,208,750	42,078,750	69,928,500	112,007,250
2051	–	5,895,000	604,250	32,015,000	3,563,300	42,077,550	69,929,600	112,007,150
2052	–	6,190,000	309,500	33,755,000	1,828,750	42,083,250	69,927,550	112,010,800
2053	–	–	–	–	–	–	69,931,950	69,931,950
2054	–	–	–	–	–	–	69,921,250	69,921,250
Total	$317,307,777	$94,525,000	$91,929,383	$501,560,000	$483,058,099	$1,488,380,258	$1,879,149,250	$3,367,529,508

(1) Totals may not add due to individual rounding.

(2) Amounts shown in each Fiscal Year include interest payable on the prior January 1 and principal and interest payable on the July 1 immediately following June 30 of each such Fiscal Year.

(3) A portion of the Series 2015A Senior Bonds and a portion of the Series 2015B Senior Bonds are being paid from available PFC Revenues as a result of a portion of the proceeds of the Series 2015A Senior Bonds and the Series 2015B Senior Bonds being used to fund PFC eligible projects. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 SENIOR BONDS – Pledge of PFC Revenues to Senior Bonds and Other Obligations" and "INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES – Passenger Facility Charges" herein.

(4) Reflects debt service on the Series 2022 Senior Bonds and the Series 2019 Subordinate Bonds net of capitalized interest.

(5) A portion of the Series 2019B Subordinate Bonds are being paid from available PFC Revenues as a result of a portion of the proceeds of the Series 2019B Subordinate Bonds being used to fund PFC eligible projects. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 SENIOR BONDS – Pledge of PFC Revenues to Senior Bonds and Other Obligations" and "INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES – Passenger Facility Charges" herein.

(6) Excludes debt service obligations on the amounts due under the Note Purchase Agreement. See "OUTSTANDING AUTHORITY OBLIGATIONS – Existing Subordinate Bonds and Other Subordinate Obligations – Other Subordinate Obligations-Note Purchase Agreement."

Source: Metropolitan Nashville Airport Authority.

THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY

General

The Authority is a metropolitan airport authority created on February 9, 1970 pursuant to the provisions of the Act. The Authority is acting as an agency and instrumentality of the Metropolitan Government. The principal purpose of the Authority is the management and operation of the Airport System and other airports and auxiliary fields either acquired or placed under its control. The Authority is empowered under the Act to construct, improve and operate airports and to establish and charge fees, rentals, rates and other charges. Further, the Authority is authorized to issue revenue bonds for the purposes authorized by the Act.

Board of Commissioners

The Board governs the Authority and serves without compensation. The Board consists of seven members who are appointed by the Mayor of the Metropolitan Government. All appointments are confirmed by the Metropolitan Council. Effective August 2021, all new appointments and reappointments to the Board are for seven-year terms (prior to August 2021, all appointments and reappointments to the Board were for a four-year term). The terms of commissioners are staggered to provide for continuity of Airport System development and management. In accordance with the Act, commissioners are representative of specified areas of expertise, such as industry, commerce and finance, legal, engineering and pilot. The Board appoints by contract the President and CEO, who is the chief executive and administrative officer responsible for day-to-day operations and planning for the Airport System, and the hereinafter defined MPC and MPC Subsidiaries. The President and CEO leads a full time staff of professional and technical personnel located at the Airport.

Administration

The executive staff of the Authority includes the following:

Douglas E. Kreulen, A.A.E. Mr. Kreulen serves as the Authority's President and Chief Executive Officer. Mr. Kreulen joined the Authority in 2012 and was promoted in 2014 to Chief Operating Officer. He was named President & Chief Executive Officer in December 2017. Before joining the Authority, Mr. Kreulen served four years as Director of Operations for Huntsville International Airport. Prior to his career in the commercial aviation sector, Mr. Kreulen served in the United States Air Force for 27 years, earning the rank of Colonel and holding prominent command and staff leadership positions. He is an Accredited Airport Executive (A.A.E.). Mr. Kreulen earned a Bachelor of Science in Laboratory Technology from Auburn University, a Master of Science in Personnel Management from Troy University, and a Master of Science in National Security Strategy, National War College.

Robert L. Ramsey, P.E., A.A.E., IAP. Mr. Ramsey serves as the Authority's Executive Vice President and Chief Operating Officer. Mr. Ramsey joined the Authority in 2003. He oversees the Operations, Maintenance, Technology, Public Safety, Engineering, and Strategic Planning departments for the Airport and the Reliever Airport. Mr. Ramsey previously served as vice president and Chief Engineer, where he was responsible for, among many other capital projects, the development and launch of the BNA Vision, the Authority's growth and expansion plan for the Airport. He also served eight years in the United States Air Force as an officer in multiple squadron leadership roles. A graduate of the University of Missouri and the Virginia Military Institute, Ramsey is a Professional Engineer (PE), an Accredited Airport Executive (A.A.E) and an International Airport Professional (IAP).

Margaret M. Basrai, CPA, CGMA, C.M. Ms. Basrai serves as the Authority's Executive Vice President and Chief Financial Officer. She joined the Authority in January 2018. Ms. Basrai is responsible for the financial and fiscal management functions for both the Airport and the Reliever Airport, including financial planning and analysis, budgeting and accounting, financial investment, debt management, grant financial administration, insurance and risk management, oversight of rates and charges, concessions, and air service development/airline affairs. She has 22 years of accounting and financial management experience in the aviation industry. Ms. Basrai previously served as Vice President and Controller for the Wayne County Airport Authority, which operates Detroit Metropolitan Airport, Willow Run Airport, and its airport hotel. She is a Certified Public Accountant (CPA), Chartered Global Management Accountant (CGMA) and a Certified Member (C.M.) of the American Association of Airport Executives. Ms. Basrai earned a Bachelor of Arts in Accounting and an MBA from Michigan State University.

Neale R. Bedrock, Esq. Mr. Bedrock serves as the Authority's Executive Vice President, General Counsel, and Chief Compliance Officer. Mr. Bedrock joined the Authority in 2021. He oversees the Corporate Communications, Human Resources, Law, Procurement, and Real Estate departments for both the Airport and the Reliever Airport. Mr. Bedrock previously served as Assistant General Counsel at The Hertz Corporation, Municipal Court Judge for the Borough of Waldwick, and an attorney with the law firm of Lowenstein, Sandler. He earned a Bachelor of Science degree in Chemical Engineering from the New Jersey Institute of Technology and a Juris Doctor degree from the Pace University School of Law.

MNAA Properties Corporation

The Authority formed MNAA Properties Corporation ("MPC") as a Tennessee nonprofit corporation in 2007, pursuant to an interlocal cooperation agreement with the Industrial Development Board of the Metropolitan Government of Nashville and Davidson County, Tennessee, for the purpose of supporting and facilitating the operations of the Authority and to help the economic development of the surrounding area. The commissioners of the Board constitute the board of directors of MPC. The Authority made an initial capital contribution of $9.0 million to MPC in August 2007.

During 2008, MPC Holdings, LLC, a limited liability company of which MPC is the sole member ("MPC Holdings"), acquired two separate multi-tenant facilities, both on Airport property. The first, International Plaza, was purchased for $7.5 million, and the second was purchased from a major tenant for approximately $1.4 million. Both acquisitions were financed with bank loans, which are no longer outstanding. See "APPENDIX B – ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY FOR THE FISCAL YEAR ENDED JUNE 30, 2022."

In late 2009, the Authority and MPC caused the creation of MPC CONRAC, LLC, as a Tennessee nonprofit limited liability company of which MPC is the sole member ("MPC CONRAC," and together with MPC Holdings, the "MPC Subsidiaries"), in connection with the CONRAC Bonds (as defined herein) issued by the Authority as Special Facility Revenue Bonds to finance the cost of construction associated with the CONRAC Facility (as defined herein). See "NASHVILLE INTERNATIONAL AIRPORT – Current Airport Facilities – Rental Car Facilities."

The operating expenses of MPC and the MPC Subsidiaries are not Operating Expenses under the Senior Bond Resolution or the Subordinate Bond Resolution and the income and revenues of MPC and the MPC Subsidiaries are not included in Airport Revenues, except that ground rent payments and management fees paid by such entities to the Authority are included in Airport Revenues. Although the Authority may commit amounts in the Nashville Airports Experience (NAE) Fund to support projects undertaken by MPC and the MPC Subsidiaries, it is currently expected that no other property or assets of the Authority will be committed to support MPC or any subsidiary.

The Existing Signatory Passenger Airline Agreements do not, and the Proposed Signatory Passenger Airline Agreements are not expected to, provide any Signatory Airline support for MPC or any MPC Subsidiaries. The financial obligations of MPC or any MPC Subsidiaries are not debt of the Authority and are not included within either the Senior Bond Resolution or the Subordinate Bond Resolution, and any shortfalls or deficits of MPC or any MPC Subsidiaries must be paid from other available Authority funds.

Employee Relations

None of the Authority's employees are presently represented by labor unions. As of June 30, 2022, the Authority employed 319 persons, with a full-time equivalent (FTE) of 319 positions. The Authority's Fiscal Year 2023 budget provides for 381 full-time equivalent employees.

THE AIRPORT SYSTEM

The Airport System includes the Airport, the Reliever Airport including any extensions, additions or improvements thereto, and includes any other air transportation related facilities added to the definition of the Airport System by resolution of the Authority.

Nashville International Airport

In 1936, the Airport was established as Berry Field on a 340-acre tract and has been expanded and developed over the years to meet increased demand and accommodate the economic growth of the Middle Tennessee region. Today, the Airport covers approximately 4,470 acres and is located approximately six miles from downtown Nashville. The Airport is the largest airport in the State of Tennessee, and is classified as a large-hub airport by the Federal Aviation Administration ("FAA"). See "NASHVILLE INTERNATIONAL AIRPORT."

John C. Tune Airport

The Authority also owns and operates the Reliever Airport, a 372-acre facility which is a general aviation airport and serves the needs of corporate and private aircraft users. The Reliever Airport is located on the west side of Nashville approximately five miles from downtown. The Reliever Airport is designated as a reliever airport to the Airport pursuant to the FAA's National Plan of Integrated Airport Systems. Reliever airports are specially designated general aviation airports intended to reduce congestion at larger commercial service airports primarily by providing an option for accommodating general aviation traffic. The Reliever Airport, which opened in 1986, has a single runway of 6,000 feet long, 360,000 square feet of aircraft ramp space, 3,000 square feet of office space, a terminal building, and other hangar space for corporate and general aviation aircraft.

On March 3, 2020, the Reliever Airport sustained significant damage from one of several tornadoes that devastated areas throughout the City and the surrounding communities. As a result of the damage caused by the tornado to the Reliever Airport, the Board approved a plan known as "Tune Taking Off", a redevelopment plan to expand, upgrade and replace the destroyed facilities at the Reliever Airport and enhance the Reliever Airport's long-term viability. Specifically, the plan includes, among other things: (i) expanding the ramp areas; (ii) constructing a new airport access point: (iii) constructing 12 T-hanger buildings with 78 hangar bays totaling 98,720 square feet; (iv) constructing four box hangar buildings with 12 hangar bays totaling 43,200 square feet; and (v) constructing two shade port buildings with ten bays totaling 14,235 square feet. Additionally, a new traffic control tower opened in September 2021. The redevelopment improvements and the control tower have an estimated total cost of approximately $50.2 million and will be paid with Reliever Airport funds, State grants and insurance proceeds.

NASHVILLE INTERNATIONAL AIRPORT

Current Airport Facilities

Airfield Facilities. The existing airfield consists of four runways, three of which are in a parallel northeast-southwest alignment ("Runways 2R-20L, 2C-20C, and 2L-20R") and one crosswind carrier runway oriented in a northwest/southeast direction ("Runway 13-31"). Runway 2R-20L is 8,001 feet in length, Runway 2C-20C is 8,001 feet in length, Runway 2L-20R is 7,704 feet in length, and Runway 13-31 is the Airport's longest at 11,030 feet in length. All four runways are 150 feet wide and are equipped with high intensity runway lighting systems. Parallel Runways 2L-20R and 2R-20L are equipped with centerline lighting, and touchdown zone lights are installed on Runway ends 2L-20R and 2R-20L. Precision instrument landing systems were installed on all ends of each runway for approaches during instrument flight rules conditions with the exception of Runway ends 20C and 13. Existing runways have adequate capacity to meet forecast operations throughout the foreseeable future.

Terminal Facilities.

<u>Passenger Terminal Complex</u>. The passenger terminal complex at the Airport consists of a main terminal building with four attached concourses and an international arrivals building ("IAB") and over one million square feet of total space. The existing terminal and apron facilities provide for 43 gate positions and associated passenger waiting areas and security screening facilities. Of the 43 gate positions, one is at the IAB, which can accommodate international arrivals, and 42 are generally used for domestic operations. The terminal apron is comprised of approximately 1.37 million square feet of pavement. For additional information regarding the passenger terminal complex, see "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Airport Facilities and Capital Program – Existing Airport Facilities – Terminal Facilities." Additionally, see "AUTHORITY CAPITAL PROGRAM" for a discussion of the Authority's plans to construct additional gates as part of New Horizon.

<u>Main Terminal</u>. The main terminal building at the Airport is divided into three primary levels: ground transportation (Level 1), the arrivals level (Level 2), and the departures level (Level 3). Level 1 accommodates rental car counters and provides access to the CONRAC Facility, as well as the ground transportation center (located on level 1 of Terminal Garage 2 (as defined herein) which accommodates taxis, limo, transportation network companies, such as Uber and Lyft ("TNCs"), and shuttle buses. Level 2 serves primarily as the hall for baggage claims, baggage makeup and check baggage inspection screening facilities. An elevated roadway provides vehicle access to Level 3, which provides passengers access to the ticketing hall, the security screen checkpoint and the four concourses. Level 3 also is the primary level for concessions areas, including food and beverage operators, retailers, and service providers. Such concession offerings include, but are not limited to, a variety of fast food and full-service restaurants, local themed gifts and retail shops, newsstands and other spa/service providers. Restaurants and public spaces also offer music in many forms, including live performances.

Public Parking Facilities. Authority-owned public parking facilities consist of a six-story public parking garage that opened in 2020 ("Terminal Garage 1"), a six story public parking garage that opened in 2018 ("Terminal Garage 2"), one long-term surface parking lot ("Terminal Lot A"), two economy surface parking lots ("Economy Lots B and C") and valet parking lot. In total, these facilities provide approximately 14,000 public parking spaces offering various products to passengers. Terminal Garage 1 has approximately 2,600 covered parking spaces with 26 charging stations for electric vehicles, and is located adjacent to and within walking distance to the passenger terminal. Terminal Garage 2 has approximately 2,200 covered parking spaces with 19 charging stations for electric vehicles, and is located adjacent to and within walking distance to the passenger terminal. The first level of Terminal Garage 2 contains the ground transportation center. The Terminal Lot A is a surface lot that has approximately

1,125 public parking spaces and is within walking distance to the terminal. Economy Lot B is a surface lot consisting of 2,124 public parking spaces and offers shuttle service to the terminal approximately every ten minutes. The Economy Lot C has 3,625 surface public parking spaces and offers shuttle service to the terminal approximately every ten minutes. Valet parking pick-up and drop-off occurs on the first level of Terminal Garage 1. The storage lot for valet parking contains 712 parking spaces. The valet parking product also offers optional car wash services. The Authority also owns the currently closed BNA Express Park lot which has 1,230 remote spaces and is currently used for overflow for the valet parking service.

The following table presents the current pricing for Terminal Garages 1 and 2, the Terminal Lot A, the Economy Lot B, the Economy Lot C and valet parking service.

Public Parking Rates at the Airport
Effective February 1, 2022

Parking Facility	Daily Maximum Rate
Terminal Garages 1 and 2	$26.00
Terminal Lot A	18.00
Economy Lot B	16.00
Economy Lot C	16.00
Valet Parking Service	36.00

Source: Metropolitan Nashville Airport Authority.

To help reduce vehicle traffic congestion in the terminal area, two cell phone waiting lots are available where motorists meeting arriving passengers can wait for free until passengers call to indicate they are ready to be picked up along the terminal curbside. Both lots are located north of the passenger terminal and include 49 spaces for the lot east of Economy Lot C and 46 spaces for the lot west of Economy Lot C.

Off-Airport parking competition includes four private operators offering over 3,200 spaces. Off-Airport parking operators' daily rates are comparable, and in some cases greater than, the Authority's daily economy rates.

For additional information regarding the Authority-owned public parking facilities and off-Airport parking competition, see "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Airport Facilities and Capital Program – Existing Airport Facilities – Public Parking Facilities."

Rental Car Facilities. A 1.2 million-square foot consolidated rental car facility (the "CONRAC Facility") is located north of Terminal Garage 1 and contains 2,400 rental car ready/return spaces on three parking levels. The CONRAC Facility is within walking distance from the terminal building; therefore, no busing of passengers is needed. Covered walkways provide convenient passenger access to/from the terminal. Ten rental car brands are currently offered within the CONRAC Facility: Alamo, Avis, Budget, Dollar, Enterprise, Hertz, National, Payless, Sixt and Thrifty.

A grade-level quick-turn around ("QTA") facility adjacent and to the north of the ready/return parking is also included within the CONRAC Facility. The QTA contains 10 car wash bays, 54 fueling stations, a common vacuum and windshield wiper fluid system, and three 20,000-gallon underground fuel tanks for servicing of vehicles by the rental car operators.

Air Cargo Facilities. Air cargo operations at the Airport include all-cargo aircraft operators, air freight operators, integrated carriers, and the U.S. Postal Service. Facilities for all cargo operators generally include an aircraft parking apron for the loading and unloading of cargo. Air freight is generally the cargo transported on passenger airlines, and integrated carriers are operators such as FedEx. The air freight facilities consist of enclosed building space with a capacity of about 40,000 square feet located southeast of the passenger terminal facility for ease of transporting freight to and from passenger aircraft, which the Authority leases to various passenger airlines for their air freight. All cargo facilities are located in the western part of the Airport between Briley Parkway and Runway 2L-20R, which facilities have direct access to approximately 400,000 square feet of apron space. In addition, the Air Cargo Terminal One and Air Cargo Terminal Two facilities consist of apron space and building space to support all-cargo and integrated carrier operations. The facility also houses a flight kitchen and international trash disposal facility.

Aircraft Maintenance Facilities. Multiple aircraft maintenance facilities are located at the Airport. Fixed base operators and other service providers offer maintenance service to general aviation aircraft. Brazilian aircraft manufacturer Embraer also provides maintenance services from a 78,000 square foot hangar on the west side of the Airport, which Embraer leases from the Authority. The Authority leases this building space to Embraer.

Ancillary Facilities. Ancillary facilities support the aviation-related activities at the Airport. The facilities identified as ancillary are categorized as Military, General Aviation, FAA, the Authority, Ground Support Equipment, Other Facilities, and the Central Receiving and Distribution Center. For additional information regarding ancillary facilities, see "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Airport Facilities and Capital Program – Existing Airport Facilities – Ancillary Facilities."

Authority Administration Building. The Authority's administration space is located in a new Administration Building completed in 2021 that is located on top of Terminal Garage 1. The Administration Building consists of approximately 64,000 square feet.

Air Service Area

The Airport is the primary commercial airline passenger airport serving the Nashville metropolitan area and the surrounding region, the Middle Tennessee area, portions of Southern Kentucky and Northern Alabama, and is relatively isolated from airport competition in the Air Service Area. The Airport's Air Service Area is defined as the Nashville MSA, which includes the 14 counties in Middle Tennessee of Cannon, Cheatham, Davidson (Airport's location), Dickson, Hickman, Macon, Maury, Robertson, Rutherford, Smith, Sumner, Trousdale, Williamson and Wilson Counties. Based on current estimates, the Nashville MSA was the 35th most populated metropolitan statistical area ("MSA") in the U.S. for calendar year 2021, with approximately 2.0 million people. In many cases, an air service area can extend beyond the primary MSA depending on the location of other population centers and availability of other commercial service airports; however, it is generally the economic strength of the primary MSA that provides the principal demand for supporting origin and destination ("O&D") air travel. The Nashville metropolitan region is a major destination draw for visitors and conventions. For a map of the Air Service Area, see "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Role of the Airport and Economic Base for Air Traffic – Role of the Airport – Regional Role."

The Air Service Area is generally isolated from competing airport facilities and, hence, the Airport has limited competition for air service. Huntsville International Airport is the closest commercial airport, which is approximately 125 driving miles from the Airport. The next closest airport is Chattanooga Metropolitan Airport, which is approximately 145 driving miles away. The closest medium-hub airport is

Memphis International Airport, which is approximately 220 driving miles away; and the closest large-hub airport is Hartsfield-Jackson Atlanta International Airport, which is approximately 255 driving miles away. For additional information regarding the Airport's Service Area and the related economic base for air traffic, see "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Role of the Airport and Economic Base for Air Traffic."

Airlines Serving the Airport

The Airport is served by a diverse, stable base of air carriers. All the major U.S. network airlines along with selected low-cost carriers ("LCCs") and ultra low-cost carriers ("ULCCs") operate at the Airport. Since the start of the COVID-19 pandemic, five airlines have initiated new service from the Airport (Avelo Airlines, Breeze Airways, Cape Air, Flair Airlines and Swoop Airlines), and only one airline ceased serving the Airport (Boutique Air, which ceased service in September 2021). Southwest Airlines ("Southwest") is the dominant passenger airline at the Airport with a 53.7% share of enplanements for Fiscal Year 2022.

In September 2022, the Airport had scheduled passenger service from 16 U.S. airlines (excluding regional affiliates) and four foreign flag carriers with 303 peak day scheduled departures from the Airport to 94 destinations (89 domestic and 5 international). In addition, there was cargo service provided by four all-cargo airlines. In September 2019 (prior to the start of the COVID-19 pandemic), the Airport had scheduled passenger service by 10 U.S. airlines (excluding regional affiliates) and four foreign flag carriers with 259 peak day scheduled departures from the Airport to 66 destinations. In addition, there was cargo service provided by five all-cargo airlines. The following table presents the passenger and all-cargo airlines serving the Airport as of September 2022.

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Passenger and All-Cargo Airlines Serving the Airport
(as of September 2022)

Passenger Airlines			All-Cargo Airlines	
Signatory	**Regional Affiliates[1]**	**Non-Signatory**	**Signatory**	**Non-Signatory**
Alaska Airlines	Air Wisconsin[2]	Air Canada[7]	FedEx	Airborne Express
Allegiant Air	Endeavor Air[3]	Avelo Airlines		Air Transport International
American Airlines	Envoy[4]	Breeze Airways		Amazon Air[8]
Delta Air Lines	ExpressJet[5]	British Airways[7]		Atlas Air
Frontier Airlines	GoJet Airlines[3]	Cape Air		
JetBlue	Mesa Airlines[4]	Contour Airlines		
Southwest Airlines	Republic Airways[2]	Flair Airlines		
Spirit Airlines	Shuttle America[6]	Sun Country		
United Airlines	SkyWest Airlines[6]	Swoop Airlines		
	TransStates Airlines[5]	WestJet[7]		
		VivaAerobus[7]		

(1) Subject to the provisions of the Signatory Passenger Airline Agreements, certain Signatory Airlines have designated one or more regional airlines as an Affiliate (as defined in the Signatory Passenger Airline Agreements). As such, the Landing Fees, Terminal Rents (both as defined in the Signatory Passenger Airline Agreements) and other charges due on account of each Affiliate's use of Airport facilities or services are calculated as if the Affiliate were a Signatory Airline. See "APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE EXISTING SIGNATORY AIRLINE USE AND LEASE AGREEMENTS."
(2) Doing business as American Airlines and United Airlines.
(3) Doing business as Delta Air Lines.
(4) Doing business as American Airlines.
(5) Doing business as United Airlines.
(6) Doing business as Delta Air Lines and United Airlines.
(7) Foreign flag carriers.
(8) Operated by Sun Country and Atlas Air.

Source: Metropolitan Nashville Airport Authority.

For additional information regarding air service at the Airport, see "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Air Service and Traffic Analysis."

Airport's Role

The following is a summary of the role that the Airport serves in accommodating air traffic for the nation, the region, and as a focus city for Southwest.

Airport's National Role. The Airport is classified by the FAA as a large-hub airport based upon its share of nationwide enplaned passengers. Prior to the COVID-19 pandemic, the Airport had been classified as a medium-hub airport. As a result of the Airport's rapid pace of passenger recovery as compared to other major airports around the country, the Airport was first classified as a large-hub airport in calendar year 2020 and maintained that classification in calendar year 2021. According to data from the FAA, there was an increase of approximately 89.2% in enplaned passengers at the Airport for calendar year 2021 as compared to calendar year 2020, and the Airport increased its ranking to 27th in the U.S. The following table presents the rankings of the top 30 U.S. airports in terms of total enplaned passengers per the FAA for calendar year 2021.

U.S. Large Hub Airports Ranked by Enplaned Passengers (Calendar Years 2021 and 2019)

Rank[1]	City	Airport	Enplaned Passengers (in '000s) CY 2021	CY 2019	Percent Change
1	Atlanta	Hartsfield - Jackson Atlanta International	36,676	53,506	-31.5%
2	Dallas/Ft. Worth	Dallas-Fort Worth International	30,005	35,779	-16.1
3	Denver	Denver International	28,646	33,593	-14.7
4	Chicago	Chicago O'Hare International	26,351	40,871	-35.5
5	Los Angeles	Los Angeles International	23,663	42,939	-44.9
6	Charlotte	Charlotte/Douglas International	20,901	24,200	-13.6
7	Orlando	Orlando International	19,619	24,562	-20.1
8	Las Vegas	Harry Reid International	19,160	24,728	-22.5
9	Phoenix	Phoenix Sky Harbor International	18,940	22,434	-15.6
10	Miami	Miami International	17,500	21,421	-18.3
11	Seattle	Seattle-Tacoma International	17,430	25,002	-30.3
12	Houston	George Bush Intercontinental/Houston	16,243	21,905	-25.8
13	New York	John F Kennedy International	15,273	31,037	-50.8
14	Newark	Newark Liberty International	14,514	23,161	-37.3
15	Fort Lauderdale	Fort Lauderdale/Hollywood International	13,599	17,951	-24.2
16	Minneapolis	Minneapolis-St Paul International	12,211	19,193	-36.4
17	San Francisco	San Francisco International	11,725	27,779	-57.8
18	Detroit	Detroit Metro Wayne County	11,518	18,143	-36.5
19	Boston	General Edward Lawrence Logan International	10,910	20,699	-47.3
20	Salt Lake City	Salt Lake City International	10,796	12,841	-15.9
21	Philadelphia	Philadelphia International	9,810	16,006	-38.7
22	Baltimore	Baltimore/Washington International	9,254	13,285	-30.3
23	Tampa	Tampa International	8,847	10,979	-19.4
24	San Diego	San Diego International	7,836	12,649	-38.0
25	New York	LaGuardia	7,827	15,394	-49.2
26	Chicago	Chicago Midway International	7,681	10,082	-23.8
27	**Nashville**	**Nashville International**	**7,594**[2]	**8,936**[2]	**-15.0**[2]
28	Washington, DC	Washington Dulles International	7,228	11,884	-39.2
29	Washington, DC	Ronald Reagan Washington National	6,732	11,595	-41.9
30	Austin	Austin-Bergstrom International	6,666	8,507	-21.6

(1) Calendar year 2021 ranking.
(2) Amounts in table may vary from Authority traffic records.

Source: Federal Aviation Administration, Air Carrier Information System, July 2022 (preliminary data).

Also, in calendar year 2021, according to Airports Council International – North America ("ACI") data the Airport had 282,138 aircraft movements or operations. As such, it ranked 23rd in the United States. For additional information regarding the Airport's role in accommodating air traffic for the nation, see "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Role of the Airport and Economic Base for Air Traffic – Role of the Airport – National Role."

Airport's Role as a Focus City for Southwest Airlines. Southwest is the Airport's largest carrier in terms of passenger market share and operates the Airport as a "focus city." Southwest has nine "focus cities" throughout the country. Southwest generally focusses on serving O&D passenger traffic, however, because of the airline's relative size at the Airport and its central location within the eastern U.S., it also can be a convenient option for connecting traffic. In Fiscal Year 2022, approximately 28.4% of Southwest's traffic at the Airport was connecting, and, therefore, approximately 71.3% was O&D traffic. In Fiscal Year 2022, the Airport was the 8th busiest airport in terms of daily departures and seating in Southwest's system. In August 2022, Southwest provided up to 126 departures a day from the Airport to 54 destinations. As compared to the rest of Southwest's system, the Airport also is among Southwest's fastest growing markets. Southwest enplaned approximately 4.9 million passengers at the Airport in Fiscal Year 2022 for a 53.7% market share.

For additional information regarding the Airport's role as a focus city for Southwest, see "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Role of the Airport and Economic Base for Air Traffic – Role of the Airport – Role for Southwest Airlines" and " – Air Service and Traffic Analysis – Air Service at the Airport – Southwest Airlines Operations at the Airport."

Summary of Common Indicators of Activity

The following table presents several of the most common indicators of activity at the Airport for Fiscal Years 2018 through 2022.

Common Indicators of Activity
Fiscal Years 2018-2022

	2018	2019	2020	2021	2022
Enplanements	7,466,332	8,596,307	6,858,395	5,151,658	9,217,710
% increase (decrease)	10.0%	15.1%	(20.2)%	(24.9)%	78.9%
Aircraft landed weight (all – 000 lbs)	8,640,900	9,954,176	8,995,415	7,869,236	11,043,361
% increase (decrease)	8.6%	15.2%	(9.6)	(12.5)	40.3%
Aircraft operations (passengers)	137,614	153,382	139,649	122,794	172,914
% increase (decrease)	9.0%	11.5%	(9.0)%	(12.1)%	40.8%
Aircraft operations (all other)	72,743	72,430	59,073	57,859	71,708
% increase (decrease)	(4.0%)	(0.4%)	(18.4)%	(2.1)%	23.9%
Load Factors(1)	86.0%	79.2%	68.3%	58.9%	78.9%
% increase (decrease)	2.4%	(6.8)%	(13.8)%	(13.8)%	34.0%

(1) Load factors are the percentages of seats occupies on all passenger aircraft, both arriving and departing.

Source: Metropolitan Nashville Airport Authority, and Metropolitan Nashville Airport Authority Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2022.

For information regarding enplaned passengers, including enplaned passengers rankings, growth in enplaned passengers, enplaned passengers by Airline and market share, enplaned passengers forecast, and historical enplaned passengers see "NASHVILLE INTERNATIONAL AIRPORT – Enplaned Passenger Traffic," "– Enplaned Passenger Market Share" and "– Landed Weight" below and "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Role of the Airport and Economic Base for Air Traffic," and " – Air Service and Traffic Analysis."

Enplaned Passenger Traffic

From Fiscal Year 2012 through Fiscal Year 2015, the Airport experienced a steady upward trend in terms of enplaned passengers. Growth at the Airport averaged a rate of 4.7% during this period and enplaned passenger levels reached 5.6 million in Fiscal Year 2015. In Fiscal Year 2016, Southwest added more than 200,000 departing seats as compared to Fiscal Year 2015, which resulted in an increase in enplaned passengers of more than 300,000 as load factors also increased. All of the primary carriers at the Airport had significant increases in enplaned passengers beginning in Fiscal Year 2017. Between Fiscal Year 2016 and Fiscal Year 2019, enplanements at the Airport increased from approximately 6.1 million enplanements to 8.6 million enplanements.

For the first eight months of Fiscal Year 2020 (July 2019 through February 2020), the Airport was on pace to exceed Fiscal Year 2019 enplanements. However, beginning in March 2020, enplaned passengers at the Airport decreased dramatically because of the impacts associated with the COVID-19 pandemic. These impacts included international travel restrictions and stay-at-home orders throughout the U.S. In March 2020, enplaned passengers at the Airport decreased by 49.2% from March 2019. The decrease continued into April when enplaned passengers were 95.8% lower than April 2019. Overall, enplaned passengers decreased by 20.2% in Fiscal Year 2020 as compared to Fiscal Year 2019 levels with most of the impact occurring after mid-March 2020 when the impacts from the COVID-19 pandemic generally took hold in the U.S. Since April 2020, enplaned passengers at the Airport have recovered nearly every month. For Fiscal Year 2022, enplaned passengers were 7.2% higher than in Fiscal Year 2019; enplanements for Fiscal Year 2022 set a record for the Airport. See "COVID-19 PANDEMIC ISSUES AND IMPACTS."

The Airport predominately serves domestic traffic, which comprised approximately 99.6% of the Airport's passenger traffic in Fiscal Year 2022; therefore, international traffic is a relatively small component at approximately 0.4%. The Airport also primarily serves O&D traffic, as 84.8% of the Airport's passenger traffic in Fiscal Year 2022 was O&D, with the remaining 15.2% connecting. Almost all of the Airport's connecting passengers are carried by Southwest. In terms of O&D passenger volume, the Airport had approximately 7.8 million O&D enplaned passengers for Fiscal Year 2022. In Fiscal Year 2019 (the last full Fiscal Year prior to the start of the COVID-19 pandemic), domestic traffic comprised approximately 99.3% of the Airport's passenger traffic, with the remaining 0.7% consisting of international traffic; and 80.9% of the Airport's passenger traffic was O&D, with the remaining 19.1% connecting.

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The following table presents enplaned passengers, O&D enplaned passengers, year over year growth (or declines) of enplaned passengers and O&D enplaned passengers, and percent of O&D enplaned passengers for Fiscal Years 2012 through 2022.

Enplaned Passengers and O&D Enplaned Passengers
Fiscal Years 2012-2022

Fiscal Year	Enplaned Passengers	Year-Over-Year Growth (Decline)	O&D Enplaned Passengers[(1)]	Year-Over-Year Growth (Decline)	Percent of O&D Enplaned Passengers
2012	4,883,374	–	4,230,186	–	86.6%
2013	5,037,975	3.2%	4,377,724	3.5%	86.9
2014	5,312,021	5.4	4,642,078	6.0	87.4
2015	5,604,148	5.5	4,921,671	6.0	87.8
2016	6,141,092	9.6	5,432,175	10.4	88.5
2017	6,790,099	10.6	6,056,566	11.5	89.2
2018	7,466,332	10.0	6,564,656	8.4	87.9
2019	8,596,307	15.1	7,465,886	13.7	86.8
2020	6,858,395	(20.2)	5,914,305	(20.8)	86.2
2021	5,151,658	(24.9)	4,086,178	(30.9)	79.3
2022	9,217,710	78.9	7,812,956	91.2	84.8

[(1)] The Authority also receives O&D passenger data directly from the airlines that operate at the Airport, and that data may differ from United States Department of Transportation data presented in this table.

Source: Metropolitan Nashville Airport Authority

For additional information regarding enplaned passengers, including enplaned passengers rankings, growth in enplaned passengers, enplaned passengers by Airline and market share, enplaned passengers forecast, and historical enplaned passengers, see "NASHVILLE INTERNATIONAL AIRPORT – Enplaned Passenger Market Share" below and "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Role of the Airport and Economic Base for Air Traffic – Role of the Airport – National Role," and " – Air Service and Traffic Analysis."

Enplaned Passenger Market Share

The top four passenger Airlines serving the Airport, which comprised 89.2% of the Airport's enplaned passenger market share in Fiscal Year 2022, are Southwest, American Airlines, Delta Air Lines and United Airlines. Over the last few years, several new airlines, particularly LCC carrier JetBlue Airlines, and ULCCs such as Allegiant Air, Avelo Airlines, Breeze Airways, Sun Country Airlines and Spirit Airlines, have begun service at the Airport. Southwest is the Airport's largest carrier in terms of passenger market share. Southwest accounted for approximately 53.7% and 60.0% of the total enplanements, or approximately 4,945,583 and 3,091,692 enplanements at the Airport in Fiscal Years 2022 and 2021, respectively. In Fiscal Year 2019 (the last full Fiscal Year prior to the start of the COVID-19 pandemic), Southwest accounted for approximately 52.5%, or 4,517,284 of the enplanements at the Airport. See also "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT."

The following table presents enplaned passengers at the Airport by Signatory Airlines, Non-Signatory Airlines (as defined herein), and total enplaned passengers for Fiscal Years 2018 through 2022 with the associated percent of market share for Fiscal Year 2022.

Enplaned Passenger Market Share
Fiscal Years 2018-2022

	2018	2019	2020	2021	2022	2022 % of Total
Signatory Airlines:						
Alaska Airlines	87,309	115,960	87,807	64,928	102,762	1.1%
Allegiant Air	–	–	115,305	136,565	252,591	2.7
American Airlines	1,235,501	1,348,801	1,070,173	725,481	1,471,530	16.0
Delta Air Lines	1,138,922	1,278,183	971,443	503,867	1,105,082	12.0
Frontier Airlines	146,184	177,341	126,000	73,885	118,912	1.3
JetBlue	130,541	138,189	99,316	44,914	149,302	1.6
Southwest Airlines	4,009,180	4,517,284	3,571,632	3,091,692	4,945,583	53.7
Spirit Airlines	–	–	122,176	171,669	268,835	2.9
United Airlines	600,988	730,243	539,013	306,115	691,107	7.5
Sub Total	7,348,625	8,306,001	6,702,865	5,119,116	9,105,704	98.8%
Non-Signatory Airlines:						
Air Canada	–	–	–	–	5,854	0.1%
Air Canada dba Jazz Air	174	292	24,745	–	16,356	0.2
Air Georgian dba Air Canada	44,229	45,204	8,549	–	–	–
Allegiant Air	6,136	80,170	–	–	–	–
British Airways	8,671	43,289	32,684	–	11,577	0.1
Contour Airlines	10,432	14,290	12,303	9,741	20,091	0.2
Sun Country	–	–	–	16,868	25,007	0.3
Westjet Airlines	11,591	23,559	8,848	–	16,487	0.2
Westjet/Encore	22,210	22,339	19,673	–	–	–
All Others (includes Charters)	14,264	61,163	48,728	5,933	16,634	0.2
Sub Total	117,707	290,306	155,530	32,542	112,006	1.2%
	7,466,332	**8,596,307**	**6,858,395**	**5,151,658**	**9,217,710**	**100.0%**

Source: Metropolitan Nashville Airport Authority.

Landed Weight

Aircraft landed weight (expressed in 1,000-pound units) is the sum of the maximum gross certificated landing weight as certified by the FAA for passenger and all-cargo aircraft landing at the Airport. Per the Signatory Passenger Airline Agreements (and the current provisions set forth in the Proposed Signatory Passenger Airline Agreement MOU), aircraft landed weight is used as the denominator in the calculation of landing fees that are used to recover the net cost of the airfield cost center. Therefore, landed weight is an important measure for the Authority as it provides a method to recover costs from each Airline based on its share of landed weight. For additional information regarding historical landed weight and landed weight forecasts at the Airport, see "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT."

The following table presents landed weight by Signatory Airlines and Non-Signatory Airlines, passenger carrier landed weight, cargo and miscellaneous landed weight, total landed weight, and the percentage of passenger landed weight for Fiscal Years 2018 through 2022 with the associated percent of market share for Fiscal Year 2022.

Passenger, Cargo and Miscellaneous Landed Weight Market Share
Fiscal Years 2018-2022
(in thousands of pounds)

	2018	2019	2020	2021	2022	2022 % of Total
Passenger Carriers						
Signatory Airlines:						
Alaska Airlines	99,354	129,001	104,358	93,408	100,654	0.9%
Allegiant Air	–	–	145,579	248,448	317,469	2.9
American Airlines	1,415,662	1,549,447	1,356,238	945,038	1,693,950	15.3
Delta Air Lines	1,287,034	1,427,507	1,147,250	871,462	1,260,848	11.4
Frontier Airlines	140,496	166,271	130,207	82,863	118,797	1.1
JetBlue	147,967	156,958	126,152	71,669	183,497	1.7
Southwest Airlines	4,391,669	4,947,577	4,564,368	4,463,892	5,456,214	49.4
Spirit Airlines	–	–	167,604	201,041	288,542	2.6
United Airlines	683,646	859,945	707,738	442,277	813,331	7.4
Sub Total	8,165,828	9,236,706	8,449,494	7,420,098	10,233,302	92.7%
Non-Signatory Airlines:						
Air Canada	–	–	–	–	9,204	0.1%
Air Canada dba Jazz Air	2,752	1,840	32,799	–	20,752	0.2
Air Georgian dba Air Canada	47,422	48,594	8,997	–	–	0.1
British Airways	15,960	101,865	85,225	–	25,200	0.2
Contour Airlines	–	–	–	31,201	52,296	0.5
Sun Country	–	–	–	34,377	51,273	0.5
Westjet /Encore	–	–	–	405	19,363	0.2
All Others (includes Charters)	102,944	262,979	142,317	29,048	49,861	0.5
Sub Total	169,078	415,278	269,338	95,031	227,950	2.1%
Total Passenger Carrier Weight	**8,334,906**	**9,651,984**	**8,718,832**	**7,515,129**	**10,461,252**	**94.7%**
Cargo & Misc. Carrier Weight	**305,994**	**300,413**	**276,583**	**354,109**	**582,109**	**5.3%**
Total Weight All Aircraft	**8,640,900**	**9,952,397**	**8,995,415**	**7,869,238**	**11,043,361**	**100.0%**
% Passenger Carrier Weight	**96%**	**97%**	**97%**	**96%**	**95%**	

Source: Metropolitan Nashville Airport Authority.

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COVID-19 PANDEMIC ISSUES AND IMPACTS

General

The worldwide outbreak of COVID-19 that began at the end of 2019 and continues as of the date of this Official Statement has caused significant disruptions to domestic and international air travel, including both passenger and cargo operations, as well as the conduct of day-to-day business in the United States and internationally. The COVID-19 pandemic and the related restrictions had, and continue to have, an adverse effect on both international and domestic travel and travel-related industries, including airlines, concessionaires and rental car companies serving the Airport. The United States and many other countries adopted a number of restrictions, guidelines and other orders including, but not limited to, stay-at-home orders, restrictions on travel and requirements relating to masks and vaccinations in response to COVID-19. These restrictions, guidelines and other orders have been implemented at the state and local level throughout the United States and abroad. Governments have relaxed and intensified these measures at various points throughout the COVID-19 pandemic in response to changes in circumstance, including, but not limited to, the status of infection rates, the percentage of the population vaccinated and other various factors relating to public health and other public policy concerns with localized and global geographic considerations. Many of the restriction that were put in place during various times of the COVID-19 pandemic have been terminated or modified.

Immediately following the start of the COVID-19 pandemic (March 2020), passenger airlines experienced a significant downturn in demand, causing the cancellation of numerous flights and a dramatic reduction in network capacity. Additionally, retail, food and other service concessionaires located in the terminal facilities at the Airport reported significant declines in sales and, the majority of the locations were temporarily closed as the result of reduced passenger levels. The reduction in air travel also had an adverse effect on parking, ground transportation companies and rental car activity and, consequently, the revenues of the Authority.

Since late 2020, after several vaccines against COVID-19 were approved and began to be administered, enplanements around the nation (including at the Airport) have seen steady improvement. However, the COVID-19 pandemic is ongoing, with new variants of the disease emerging, and the duration, severity and ultimate economic effects of COVID-19 remain uncertain. Despite widespread distribution of vaccines and vaccine boosters against COVID-19 in many parts of the United States and for an expanding set of eligible partakers, there are still geographic regions locally and in other parts of the world where vaccination levels remain low. Ongoing concerns about the continued spread or effects of the virus have and may result in some governments re-imposing travel restrictions, in particular as it relates to international air travel.

The actual impact and length of the COVID-19 pandemic on the Authority, its operations and its finances will depend on future events, including future events outside of its control, and actions by governments at all levels, domestic and abroad. The Authority cannot predict the duration or extent of the COVID-19 pandemic or any additional adverse impacts it may have on the Authority or its financial condition or operations. Any financial information, including projections, forecasts and budgets presented herein, do not and cannot account for all of the potential effects of COVID-19.

Enplanements

Airports in the United States have been acutely impacted by the reductions in passenger volumes and flights, as well as by the broader economic activity reductions resulting from the COVID-19 pandemic. Immediately following the start of the COVID-19 pandemic (March 2020), airlines serving the Airport reduced or cancelled flights and curtailed their overall capacity due to the drop in demand for both domestic and international air travel in an attempt to match capacity to the modified demand for air travel.

Since April 2020, enplaned passengers at the Airport have recovered nearly every month. In July 2021, enplaned passengers exceeded pre-pandemic volumes for the first time with 1.4% more than July 2019. Except for January 2022, monthly enplaned passengers at the Airport have been higher than pre-outbreak levels. For all of Fiscal Year 2022, enplaned passengers were 7.2% higher than in Fiscal Year 2019; as Fiscal Year 2022 set a new enplaned passenger record for the Airport. In September 2022, enplaned passengers at the Airport set an all-time monthly record of 952,606. Among U.S. large hub airports, the Airport had the third lowest decrease of enplaned passengers in calendar year 2021 as compared to calendar year 2019 at 15.0%; behind only Charlotte and Denver at 13.6% and 14.7%, respectively.

The following table shows monthly enplanements at the Airport for calendar years 2019, 2020 and 2021 and the first nine months of calendar year 2022.

Monthly Enplanements
Calendar Years 2019, 2020 and 2021 and First Nine Months of Calendar Year 2022

Month	2019	2020	2020 as a % of 2019	2021	2021 as a % of 2019	2022[(1)]	2022 as a % of 2019[(1)]
January	585,863	657,466	112.2%	292,625	49.9%	522,163	89.1%
February	584,876	668,237	114.3	272,301	46.6	597,977	102.2
March	755,200	383,512	50.8	492,249	65.2	786,068	104.1
April	747,058	31,510	4.2	549,615	73.6	807,445	108.1
May	844,443	102,325	12.1	705,456	83.5	920,938	109.1
June	841,170	241,611	28.7	776,073	92.3	915,776	108.9
July	828,530	309,036	37.3	840,374	101.4	915,482	110.5
August	790,318	304,939	38.6	758,751	96.0	873,424	110.5
September	762,322	330,652	43.4	717,416	94.1	952,606	125.0
October	875,797	390,250	44.6	832,185	95.0		
November	751,439	356,369	47.4	768,303	102.2		
December	765,328	372,093	48.6	750,314	98.0		
Total	9,132,344	4,148,000	45.4%	7,755,662	84.9%		

(1) Results for the first nine months of calendar year 2022 may not be indicative of results for the full calendar year of 2022.

Source: Metropolitan Nashville Airport Authority

Financial Condition and Liquidity

General. The Authority's revenues depend, in part, on aviation activity and passenger traffic at the Airport, on the financial performance of the airlines, concessionaires and rental car companies serving the Airport and on the overall financial health of the airline and travel industries. Beginning in March 2020, the Authority experienced a significant decrease in airline and non-airline revenues as a result of the COVID-19 pandemic. Beginning in March 2021, airline and non-airline revenues began to slowly improve and have continued to improve ever since.

Authority Responses. Beginning in March 2020, the Authority took several actions in response to the adverse financial impacts caused by the COVID-19 pandemic, including: closing all surface parking lots (which reduced parking lot fees and corresponding shuttle service expenses), reducing the number of security guard hours, freezing all open positions, eliminating all travel and training expenses, and eliminating raises and bonuses. These cost-cutting measures were carried into Fiscal Year 2021 as the pandemic continued. The Authority also provided temporary "minimum annual guaranty" relief to the rental car companies and Fraport USA (the provider of terminal concessions at the Airport) based on contractual terms in the agreements with the rental car companies and Fraport USA. No rate relief was provided to the airlines or any other concessionaires.

Federal Aid Related to COVID-19. The United States government took several legislative and regulatory actions and implemented measures to mitigate the broad disruptive effects of the COVID-19 pandemic.

The first legislative action taken by the United States government was the passage of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), which became law on March 27, 2020. The Authority was awarded $55,032,454 in CARES Act grants (the "CARES Act Funds"), and drew all of these funds in Fiscal Years 2020, 2021 and 2022 to pay Operating Expenses and debt service.

The Coronavirus Response and Relief Supplemental Appropriations Act (the "CRRSAA"), which became law on December 27, 2020, also provides additional direct aid to the Authority. The Authority was allocated $17,084,309 in Airport Coronavirus Response Grant Program funds pursuant to CRRSAA (the "CRRSAA Funds"), and, as of September 20, 2022, had drawn $15,113,525 to pay debt service. The Authority expects to draw the remaining CRRSAA Funds ($1,970,784) in Fiscal Year 2023 to pay Operating Expenses and in Fiscal Year 2024 for concession relief.

A third round of federal relief was provided to airports with passage of the American Rescue Plan Act ("ARPA"), which became law on March 11, 2021. The Authority was awarded $64,178,376 in American Rescue Grants pursuant to ARPA (the "ARPA Funds," and collectively with the CARES Act Funds and the CRRSAA Funds, the "COVID-19 Federal Relief Funds"). Of the total $64,178,376 in ARPA Funds for which the Authority is eligible to receive, $56,523,239 must be used for operational relief (including paying debt service) and $7,655,137 for concession relief. As of September 30, 2022, the Authority had drawn $1,521,883 of its eligible ARPA Funds to pay debt service. The Authority expects to request the remaining ARPA Funds ($62,656,493) in Fiscal Years 2023, 2024 and 2025 and use such funds to pay Operating Expenses and debt service and for concession relief. Pursuant to ARPA, the ARPA Funds must be requested by September 30, 2024.

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The following table summarizes the COVID-19 Federal Relief Funds the Authority has been awarded, the actual funds drawn by the Authority and the remaining funds to be drawn by the Authority through September 30, 2022.

COVID-19 Federal Relief Funds for the Authority
(As of September 30, 2022)

	CARES Act (Operating Expenses & Debt Service)	**CRRSAA (Operating Expenses & Debt Service)**	**CRRSAA (Concession Relief)**	**ARPA (Operating Expenses & Debt Service)**	**ARPA (Concession Relief)**	**Total**
Total Award	$55,032,454	$15,170,525	$1,913,784	$56,523,239	$7,655,137	$136,295,139
Use of Award						
Fiscal Year 2020						
Operating Expenses	$2,925,517	–	–	–	–	$2,925,517
Debt Service	3,383,901	–	–	–	–	3,383,901
Total	$6,309,418	–	–	–	–	$6,309,418
Fiscal Year 2021						
Operating Expenses	$3,988,211	–	–	–	–	$3,988,211
Debt Service	26,175,119	–	–	–	–	26,175,119
Total	$30,163,330	–	–	–	–	$30,163,330
Fiscal Year 2022						
Operating Expenses	$2,026,935	–	–	–	–	$2,026,935
Debt Service	16,532,771	$6,505,818	–	–	–	23,038,589
Total	$18,559,706	$6,505,818	–	–	–	$25,065,524
Fiscal Year 2023						
Operating Expenses	–	–	–	–	–	–
Debt Service	–	$8,607,707	–	$1,521,883	–	$10,129,590
Total	–	$8,607,707	–	1,521,883	–	$10,129,590
Remaining Award	–	$57,000	$1,913,784	$55,001,356	$7,655,137	$64,627,277

Source: Metropolitan Nashville Airport Authority

SIGNATORY PASSENGER AIRLINE AGREEMENTS AND CERTAIN NON-AIRLINE AGREEMENTS

Existing and Proposed Signatory Passenger Airline Agreements

The Authority and the Signatory Airlines have entered into the Existing Signatory Passenger Airline Agreements, which expire on June 30, 2023 and will not be extended under their current terms. The Authority and the Signatory Airlines are currently negotiating the terms of a new Proposed Signatory Passenger Airline Agreement. As of the date of this Official Statement, the terms of the Proposed Signatory Passenger Airline Agreement have not been finalized, but the Authority and Southwest (the largest airline at the Airport in terms of passenger market share and a key representative of the Signatory Airlines) have executed the Proposed Signatory Passenger Airline Agreement MOU, which sets forth certain key terms and provisions that are expected to be included in the final form of the Proposed Signatory Passenger Airline Agreement. The Authority expects to continue finalizing the terms and provisions of the Proposed Signatory Passenger Airline Agreement during the first half of calendar year 2023 and that the Proposed Signatory Passenger Airline Agreement will become effective on July 1, 2023.

Certain provisions of the Existing Signatory Passenger Airline Agreements (which will be in effect until June 30, 2023) and certain provisions of the new Proposed Signatory Passenger Airline Agreement (as currently set forth in the Proposed Signatory Passenger Airline Agreement MOU) are summarized below. Also see “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE EXISTING SIGNATORY AIRLINE USE AND LEASE AGREEMENTS.”

There is no indication, at this time, that the Authority and the Signatory Airlines will not reach agreement on the new Proposed Signatory Passenger Airline Agreement. In the event the Authority and the Signatory Airlines are unable execute the Proposed Signatory Passenger Airline Agreement by June 30, 2023, the Authority expects to impose rates and charges on all airlines pursuant to the FAA’s Policy Regarding the Establishment of Airport Rates and Charges and a rate ordinance to be adopted by the Board. The airline rate-setting methodologies used by the Authority under a rate ordinance may ultimately differ from the current rate-setting methodologies under the Existing Signatory Passenger Airline Agreements or those set forth in the Proposed Signatory Passenger Airline Agreement MOU, however, the Authority’s obligations to Bondholders set forth in the Senior Resolution and the Subordinate Resolution, including the obligation to set rates and charges sufficient to meet the respective Rate Covenants and the ability to charge airline rates by ordinance, remain.

Existing Signatory Passenger Airline Agreements. Brief descriptions of the Authority’s current rate making methodology and certain other provisions of the Existing Signatory Passenger Airline Agreements are provided below. The descriptions provided below are qualified in their entirety by the applicable provisions of the Existing Signatory Passenger Airline Agreements. For a more detailed discussion of the Authority’s current rate making methodology and certain additional provisions of the Existing Signatory Passenger Airline Agreements see “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE EXISTING SIGNATORY AIRLINE USE AND LEASE AGREEMENTS.” Unless expressly defined herein, capitalized terms used in this section will have the meanings assigned thereto in “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE EXISTING SIGNATORY AIRLINE USE AND LEASE AGREEMENTS.”

Pursuant to the Existing Signatory Passenger Airline Agreements, Airport Revenues are retained by the Authority to be applied in accordance with the provisions of the Senior Bond Resolution and the Subordinate Bond Resolution, to fund capital improvements, establish certain reserve funds, and provide funds for other discretionary purposes. However, any excess Net Revenues remaining after making all required deposits to the funds and accounts established under the Senior Bond Resolution and the Subordinate Bond Resolution are accumulated in the Nashville Airports Experience (NAE) Fund and may be applied to any lawful purpose of the Authority, including the funding of capital improvements. See “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION – Application of Airport Revenues.”

The Existing Signatory Passenger Airline Agreements establish three cost centers for the purpose of determining rates and charges payable by the Signatory Airlines and other users of Airport facilities: (1) Airfield, (2) Terminal and (3) Terminal Ramp Area. Baggage and passenger loading bridges fees are also assessed. The Existing Signatory Passenger Airline Agreements have a “hybrid” airline rate-setting methodology with the Landing Fees being calculated on a residual basis (as described below), the Terminal Rental Rates (as described below) being fixed rates specified in the Existing Signatory Passenger Airline Agreements that were initially derived based upon a compensatory basis using rentable space in the calculation, and Terminal Ramp Area rates generally established through a compensatory methodology. Other than the Airfield, the Signatory Airlines are not required to provide for break-even financial operation of the Airport under the Existing Signatory Passenger Airline Agreements.

Rates and Charges. The Existing Signatory Passenger Airline Agreements govern airline use of certain Airport facilities, including Airfield, Terminal, Terminal Ramp Areas, baggage claim, ticket counters and gate areas and permit the Signatory Airlines to lease Exclusive Premises, Preferential Use Premises, and Joint Use Premises. Exclusive Premises generally includes office space, storage areas, airline club lounges, employee break rooms, and baggage service area space; and Preferential Use Premises is Airport space, including holdroom areas and gates, ticket counters, and baggage makeup areas, leased to a Signatory Airline and to which the Signatory Airline has a higher and continuous priority of use over all other air carriers. Joint Use Premises includes baggage claim areas and baggage makeup equipment.

Landing Fees under the Existing Signatory Passenger Airline Agreements are calculated primarily on a residual basis. Capital Costs allocable to the Airfield, including debt service on Senior Bonds or Subordinate Bonds, may be included in the calculation of the Landing Fees with Majority-in-Interest approval. While debt service on Senior Bonds or Subordinate Bonds allocable to the Airfield may be included in the Landing Fees, the Existing Signatory Passenger Airline Agreements do not permit inclusion in the Landing Fees of coverage on Senior Bonds or Subordinate Bonds allocable to the Airfield or any amount required to replenish the Airport Improvement Bond Reserve Fund Requirement allocable to such Senior Bonds or the Subordinate Bond Reserve Fund Requirement allocable to such Subordinate Bonds.

The Terminal Rental Rate under the Existing Signatory Passenger Airline Agreements is calculated on a compensatory basis with fixed rates. There is no specific provision in the Existing Signatory Passenger Airline Agreements for increasing the Terminal Rental Rate to provide for the payment of debt service on Senior Bonds or Subordinate Bonds or to provide for the payment of Operating Expenses allocable to the Terminal. The fixed Terminal Rental Rates were established to include allowances for Senior Bonds which were then outstanding, the funding of approximately $150.3 million of Capital Improvement Costs for the Terminal from various sources including the debt service on Additional Senior Bonds or Additional Subordinate Bonds required to support approximately $66.5 million of projects costs, and typical Operating Expense escalations.

With limited exceptions, there is no provision in the Existing Signatory Passenger Airline Agreements for increasing the Terminal Rental Rates to provide for the payment of debt service on Additional Senior Bonds or Additional Subordinate Bonds or increases in Operating Expenses.

Except as described in the following paragraph, there is no provision in the Existing Signatory Passenger Airline Agreements for including debt service on Senior Bonds or Subordinate Bonds in airline rates and charges for Senior Bonds or Subordinate Bonds issued for other Airport improvements not included in the Airfield or Terminal cost centers with or without Majority-in-Interest approval.

Debt service on Senior Bonds or Subordinate Bonds allocable to the acquisition of Passenger Loading Bridges or for Baggage Claim Equipment, Baggage Make-up Equipment and the Baggage Claim Areas may be included in the Passenger Loading Bridge fees or baggage fees that may be imposed under the Existing Signatory Passenger Airline Agreements without Majority-in-Interest approval. There is no provision in the Existing Signatory Passenger Airline Agreements for increasing the Passenger Loading Bridge fees or baggage fees to provide for coverage on such Senior Bonds or Subordinate Bonds or any amount required to replenish the Airport Improvement Bond Reserve Fund Requirement allocable to such Senior Bonds or the Subordinate Bond Reserve Fund Requirement allocable to such Subordinate Bonds. Debt service on Senior Bonds or Subordinate Bonds allocable to capital improvements in the Terminal Ramp Area may be included in the Terminal Ramp Area rate without Majority-in-Interest approval. There is no provision in the Existing Signatory Passenger Airline Agreements for increasing the Terminal Ramp Area rate to provide for coverage on such Senior Bonds or Subordinate Bonds or any amount required to replenish the Airport Improvement Bond Reserve Fund Requirement allocable to such Senior Bonds or the Subordinate Bond Reserve Fund Requirement allocable to such Subordinate Bonds.

Debt service on Senior Bonds or Subordinate Bonds that are not allocated to Airfield improvements or the acquisition of Passenger Loading Bridges as well as coverage or amounts required to replenish the Airport Improvement Bond Reserve Fund Requirement allocable to such Senior Bonds or the Subordinate Bond Reserve Fund Requirement allocable to such Subordinate Bonds must be paid from sources other than Signatory Airlines rates and charges, which would principally be the Authority's share of in-terminal concession revenues, parking fees, and other non-airline lease revenues. Under the Existing Signatory Passenger Airline Agreements, the Authority shares a portion of in-terminal concession revenue with the Signatory Airlines by means of revenue sharing credits (see "Revenue Sharing" below).

The Authority is obligated under the Existing Signatory Passenger Airline Agreements to undertake $250.3 million of capital improvement projects that may not be funded through rates and charges to be paid by the Signatory Airlines. The principal amount of Senior Bonds or Subordinate Bonds allocable to the funding of capitalized interest are not counted toward these requirements.

Revenue Sharing. Other than revenues allocable to the Airfield, the Existing Signatory Passenger Airline Agreements provide for the sharing of certain revenues with the Signatory Airlines, referred to as Concession Revenue Share, in the form of a credit against Terminal Rents. The Concession Revenue Share, comprised of 50% of in-terminal concessions, is credited to each Signatory Airline based on its pro-rata share of enplaned passengers to reduce Terminal Rents.

The Reliever Airport and MNAA Properties Corporation (MPC). The Existing Signatory Passenger Airline Agreements provide Signatory Airline support for a portion of the net cost for the Reliever Airport through a negotiated annual amount referred to as the Reliever Airport Support Costs. The Reliever Airport is included in the definition of Airport System under the Senior Bond Resolution and the Subordinate Bond Resolution, with the effect of including operating expenses attributable to the Reliever Airport in amounts which must be paid for by Airport Revenues from the Operating Fund and included in rate covenant calculation purposes.

The Existing Signatory Passenger Airline Agreements do not provide for any support from the Signatory Airlines for MPC. The financial obligations of MPC are not included within the Senior Bond Resolution or the Subordinate Bond Resolution, and any MPC shortfalls or deficits must be paid from other available funds of the Authority.

Majority-in-Interest Approvals Relating to Authority's Capital Projects. The Authority has secured all Majority-in-Interest approvals necessary to complete the portions of the Authority's Capital Projects being funded with proceeds of the Series 2022 Senior Bonds.

For a summary of additional provisions of the Existing Signatory Passenger Airline Agreements, see "APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE EXISTING SIGNATORY AIRLINE USE AND LEASE AGREEMENTS."

Proposed Signatory Passenger Airline Agreement MOU. Following are certain of the key terms and provisions of the new Proposed Signatory Passenger Airline Agreements that are set forth in the Proposed Signatory Passenger Airline Agreement MOU. The descriptions provided below are qualified in their entirety by the applicable provisions of the Proposed Signatory Passenger Airline Agreement MOU.

See also "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Financial Framework and Analysis – Negotiation of New Signatory Passenger Airline Agreements."

Term:	*Base term*: Eight years, commencing July 1, 2023 and expiring June 30, 2031, with a two-year option to extend for a total of ten years. This option may be extended automatically due to a delay in Concourse A or through mutual agreement between the Authority and the Signatory Airline no less than two years before expiration.
Minimum Signatory Airline Commitment	*Passenger carriers*: Each fiscal year, must pay rents, charges, and fees equal to at least one percent of the rates, charges and fees paid by all Signatory Airlines that fiscal year. *Cargo carriers*: Each fiscal year, must pay landing fees and non-terminal ramp parking charges equal to at least one percent of the annual landing fees paid by all Signatory Airlines for that fiscal year.
Debt Service Coverage	Rolling debt service coverage will be incorporated into the rate calculations for all airline cost centers.
Landing Fee Methodology	Residual methodology. Materially unchanged from the Existing Signatory Passenger Airline Agreements except for the addition of rolling coverage.
Terminal Rate Methodology	*Methodology Overview*: Commercial compensatory with a 50% airline rented space minimum if debt service coverage requirements noted below are not met as described below. *Terminal requirement*: The terminal requirement will include the following items in proportion to the allocation to the terminal: Operating Expenses, debt service (net of grants and PFCs), rolling debt service coverage based on the Authority's bond documents, amortization of capital costs, Operations and Maintenance Reserve Fund, and Renewal and Replacement Fund. *Coverage Policy*: The Authority's internal debt management policy requiring a debt service coverage ratio of 1.50x for senior lien debt service and 1.25x for combined debt service. *Bond Document Coverage*: The Authority's bond documents require a debt service coverage ratio of 1.25x for senior lien debt service and 1.10x for a subordinate lien debt service. *Airline terminal requirement*: To derive the share of the terminal requirement recovered from the airlines, the terminal requirement is multiplied by the greater of (a) the airline rented space divided by total Rentable Space or (b) if the Coverage Policy is not met and the airlines are not renting at least 50% of the total Rentable Space in the terminal, then the Authority may increase the airlines' share of the terminal requirement by the lesser of (i) the amount necessary to meet the Coverage Policy or (ii) the amount necessary to make the airlines share of terminal requirement equal to 50%.
Revenue Sharing Credits	Revenue Sharing Credits for Signatory Airlines is an agreed upon calculation in which the total amount of revenue to be shared is determined on the weighting of three factors: Net Remaining Revenues, In-Terminal Concessions and a fixed share per enplanement. *Weighting of the three factors*: The total amount of revenue shared with the Signatory Airlines in a given year will be derived by first establishing the value of each factor for that year in accordance with the table percentages below and then applying the twentieth percentile of those three calculated amounts.

	2024	2025	2026	2027	2028	2029+
Net Remaining Revenue	20%	20%	20%	20%	20%	20%
Share of in-Terminal Concessions	50%	45%	40%	35%	30%	25%
Revenue Share per Enplanement	$1.00	$0.90	$0.80	$0.70	$0.60	$0.50

O&M and R&R Reserve Funds	*Operations and Maintenance Reserve Fund*: Will increase from two months to three months of estimated fiscal year Operating Expenses, phased in over a four-year period. *Renewal and Replacement Fund*: Will increase from an aggregate amount of $5 million to $10 million, phased in over a four-year period.
Amortization	*Authority Right to Charge Amortization*: Authority may amortize in the airline rate base any Authority cash-funded capital projects (in whole or part) in the terminal cost center, terminal ramp area cost center, baggage cost center, and passenger loading bridge cost center subject to the two provisions below: *Cash expenditures on Terminal projects*: Authority may amortize Authority cash-funded capital projects in the terminal that may not be eligible or financially prudent for bond financing so long as the annual amount of amortization included in the rate base does not exceed $1 million annually, subject to a 3% annual adjustment. *Cash expenditures in lieu of bond financing*: The Authority must use at least $50 million in Authority cash over the term of the Proposed Signatory Passenger Airline Agreements to fund capital projects currently identified for airline cost centers (other than the airfield cost center). Provided, however, if enplanements reach 11 million annual passengers by Fiscal Year 2027, the Authority's commitment over the term will increase to $75 million. The Authority retains sole discretion as to which year(s) and project(s) to fund with Authority cash so long as the projects would otherwise have been funded with Senior or Subordinate Bonds. The Authority shall have the right to include amortization in the airline rate base as described above (which is not subject to the $1 million annual limit above), and the amortization period will be equal to the useful life of the asset(s).
Capital Project Process	An expanded capital project collaboration process will be included in the final Proposed Signatory Passenger Airline Agreement that addresses how airline representatives will have the opportunity to participate in the airport strategic planning process pertaining to future capital (technical) projects at the Airport. Airline representatives are encouraged to provide estimated impacts that future capital projects may have on airline operations, airline costs, or airline customers. These impacts will be presented to the Authority in writing by either the Airline Technical Representative ("ATR") or the Chair of the Airport Airline Affairs Committee ("AAAC") prior to the start of design. The ATR may attend daily/weekly project meetings, a bi-weekly program/ATR coordination meeting, and a monthly airline technical

	committee meeting. If required, a monthly advisory meeting with the Chair of the AAAC will be scheduled. No supervisory or approval rights are provided to the airlines; however, inputs, collaboration, progress updates, budget reports and discussions on concerns will be acknowledged by the Authority to the airlines. A document summarizing the process will be included as an illustrative exhibit to the final Proposed Signatory Passenger Airline Agreement.
Capital Improvement (MII)	*Cost center*: Signatory Airlines will have Majority-in-Interest review rights for certain capital projects in the airfield cost center. *Majority-in-Interest*: More than 50% in number of the Signatory Airlines and more than 75% of landing fees paid by all Signatory Airlines. *Negative MII*: The form of the Majority-in-Interest review will be a disapproval. *Cost increases*: Certain provisions of the Existing Signatory Passenger Airline Agreements will be modified to allow a Majority-in-Interest to disapprove an increase in cost to a previously approved Capital Improvement Project if the estimated Capital Costs increases by more than 10% of the Authority's share (net of PFCs, federal and state grants, and other funding sources not impacting airline rates and charges) of Capital Costs. *Exemption modification*: Certain provisions of the Existing Signatory Passenger Airline Agreements will be modified to exempt Capital Improvement Projects with Capital Costs of not greater than $2 million of the Authority's share (net of PFCs, federal and state grants, and other funding sources not impacting airline rates and charges) of Capital Costs.
Aircraft Gates	*Reserved common use gates*: The Authority will reserve an estimated five common use gates. *Preferential Use Gate utilization requirement*: Six turns (scheduled departures) per gate per day or 900 departing seats (scheduled) per gate per day averaged over an airline's total number of Preferential Use Gates. *At Risk Gate*: The Authority may allow a Signatory Airline to lease a Preferential Use Gate(s) despite not meeting the Preferential Use Gate utilization requirement. In this scenario, the gate(s) is/are acknowledged to be leased as "At Risk". At Risk gates are subject to conversion to common use gates or another Signatory Airline's Preferential Use upon 30 days' notice from the Authority. *Common use gate protocol*: As part of the advance planning process, the Authority will observe the following flight priorities: International (CBP-FIS/Pre-Cleared Departure or Arrival) with long-haul transatlantic prioritized ahead of short-haul, next Signatory, then existing flight (historical service within 15 minutes, on a common use gate or former preferential use gate), followed by year round over seasonal, a carrier with non-preferential use gate including a lease "at risk" gate, a through turn flight (not remain-overnight), and then the flight with the highest seat count. If resolution cannot be determined through this prioritization, the Authority has discretion. The same process will be followed for competing 'ad hoc' flight.
Miscellaneous	The Satellite Concourse terminal rate will be charged at a 2.5% discount from the main terminal rate. The Reliever Airport contribution will be $500,000 with a 3% annual escalator. The unimproved space rental rate will be $4.25 per square foot (fixed for the term). There will continue to be no extraordinary coverage requirement of the Signatory Airlines.

Non-Signatory Airlines Rates and Charges

Passenger airlines and cargo carriers operating at the Airport that are not Signatory Airlines or Affiliates of Signatory Airlines (the "Non-Signatory Airlines") are subject to rates and charges that reflect a 25% premium over the rates and charges assessed to Signatory Airlines under the Existing Signatory Passenger Airline Agreements.

Non-Airline Agreements

Non-airline agreements have various terms and conditions and the business terms of such agreements are generally based on industry standards and practices. The following are summaries of certain non-airline agreements, including the hereinafter defined Lease and Concession Agreement, Satellite Concourse Concession Agreement, Rental Car Concession Agreements, Turo Permit, Parking Agreement and TNC Agreements.

Lease and Concession Agreement (Fraport). The Authority and Fraport USA entered into that certain Lease and Concession Agreement, effective August 15, 2018 (the "Lease and Concession Agreement"), for the development and management of the Airport terminal concessions program through January 31, 2029. The rent under the Lease and Concession Agreement is equal to the greater of 60% of sublessee rents or a minimum annual guarantee ("MAG") amount equal to the greater of 85% of the previous year's rents or $11.0 million. Under the Lease and Concession Agreement, Fraport USA agreed to design, construct, lease and manage the concessions space across the Airport's four concourses in the passenger terminal, including: food court restaurants, cafes, pubs, full-service restaurants, newsstands, retail shops, and display advertising, among other specialties. With concessions redevelopment a part of the BNA Vision, the Lease and Concession Agreement includes the development and management of more than 90 new food and beverage, specialty retail, passenger services and news and gifts outlets in 133,000 square feet of Airport concession space, and a transition plan to ensure that concessions will be available to passengers during renovations with staggered store openings between 2019 and 2023.

Satellite Concourse Concession Agreement (Paradies). The Authority and Paradies Lagardere @ Nashville LLC ("Paradies") entered into that certain Lease and Concession Agreement, effective October 19, 2023 (the "Satellite Concourse Concession Agreement"), for the development and management of the concessions program in the Satellite Concourse being contracted as part of BNA Vision. The Satellite Concourse Concession Agreement has a term through October 18, 2033. The rent under the Satellite Concourse Concession Agreement is equal to the greater of a MAG ($2.4 million with a fixed 3% annual increase at the start of each calendar year beginning January 2025) or a percent of gross receipts by merchandise category ranging from 14-21%. Under the Satellite Concourse Concession Agreement, Paradies agreed to design, construct, lease and manage the concessions space in the Satellite Concourse, including full-service restaurants, newsstands and retail shops.

Rental Car Concession Agreements. The Authority entered into Rental Car Lease Agreements, commencing on January 4, 2010 and ending on January 3, 2025 (the "Rental Car Concession Agreements"), with the following rental car companies: Avis, Budget, Burgner Enterprises Inc. (operating as Thrifty Car Rental), Enterprise, Hertz, Midwest Rental & Leasing LLC (operating as Dollar Rent-a-Car Company), Vanguard Car Rental USA Inc. (which operates the Alamo and National brands and is wholly owned by Enterprise Holdings), Payless and Sixt. Pursuant to the Rental Car Concession Agreements, the on-Airport rental car companies pay the Authority concession fees equal to 11% of gross revenues or a MAG amount equal to the greater of 85% of either (a) prior year concession fees or (b) initial year concession fees. The total MAG amount for Fiscal Year 2022 was approximately $17.6 million. Additionally, all of the on-Airport rental car companies must collect and remit CFCs (as defined herein) to the Authority.

The Authority is currently leasing the CONRAC Facility to MPC CONRAC under a lease agreement and is leasing-back the facility from MPC CONRAC under a sublease agreement. Pursuant to its sublease agreement, the Authority leases the CONRAC Facility to the on-Airport rental car companies under the Rental Car Concession Agreements.

Turo Permit. Turo, Inc. ("Turo"), a peer-to-peer car sharing platform, that matches individual car owners with prospective renters and it advertises and markets itself as competing with traditional rental car companies, entered into an airport based peer-to-peer car sharing commercial ground transportation permit effective April 29, 2021 (the "Turo Permit"). The Turo Permit expires every June 30, and will be automatically renewed and extended for an additional one year term commencing on July 1 of each year unless the Authority or Turo provides a notice of non-renewal 30 days prior to expiration. The Turo Permit grants Turo a non-exclusive, revocable license solely (a) to operate peer-to-peer car sharing operations at the Airport for the convenience of passengers utilizing the Airport and patrons and tenants of the Airport; (b) to use common-use Airport roadways for ingress and egress, subject to Authority Policies and applicable laws; and (c) to park in the designated areas as outlined by the Authority. Turo pays the Authority an annual fee equal to the greater of (i) 6% of gross revenues and (ii) a MAG of $15,000 (adjusted annually to the greater of 85% of gross revenue for the immediately preceding year or $15,000). The MAG for Fiscal Year 2023 is estimated to be $167,000.

Parking Agreement. The Authority entered into an agreement with LAZ Parking Services, Inc. ("LAZ"), with a term through June 30, 2024 (the "Parking Agreement"), to manage and operate the on-Airport automobile parking facilities and the valet parking service. Under the Parking Agreement, the Authority retains all parking revenues and pays LAZ a management fee. In Fiscal Year 2022, the Authority paid LAZ approximately $414,000 for managing and operating the automobile parking facilities and approximately $520,000 for operating the valet parking service.

TNC Agreements. The Authority entered into agreements with Lyft and Uber (the "TNC Agreements"), which commenced operations at the Airport in October and December 2014, respectively. Pursuant to the TNC Agreements, the Authority imposes a $4.00 pick-up fee and a $4.00 drop-off fee on the TNCs (the "TNC Fees"), which can be increased by the Authority with 30 days' notice. The TNC Agreements are renewed annually.

Other Agreements. The Authority also has other leases and agreements with cargo facility and fixed base operators and tenants leasing hangars and buildings.

For more information regarding the sources and amounts of non-airline revenue, see "INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES" and "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Financial Framework and Analysis – Financial Structure – Other Agreements."

INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES

Unless expressly defined herein, capitalized terms used in this section entitled "INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES" shall have the meanings assigned thereto in "APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE EXISTING SIGNATORY AIRLINE USE AND LEASE AGREEMENTS."

Airline Revenues

Airline revenues at the Airport are generated through Landing Fees, Terminal Rents, Passenger Loading Bridge Fees, Baggage Fees, and Terminal Ramp Area Rents.

The rate-setting formulas for these charges are consistent with the rate-setting methodologies set forth in the Existing Signatory Passenger Airline Agreements through the term of the Existing Signatory Passenger Airline Agreements (June 30, 2023). For a discussion regarding forecasted results during the Forecast Period, including the period after expiration of the Existing Signatory Passenger Airline Agreements in Fiscal Year 2023 and expected effectiveness of the Proposed Signatory Passenger Airline Agreement on July 1, 2023, see "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Financial Framework and Analysis – Airline Revenues."

Landing Fees. Per the cost center residual rate-setting methodology in the Airfield under the Existing Signatory Passenger Airline Agreements, the Authority fully recovers direct and allocated indirect costs for airline use of the airfield cost center. The Signatory Airline Airfield Net Requirement is reduced by estimated non-airline revenue forecast in each Fiscal Year. After the expiration of the Existing Signatory Passenger Airline Agreements in Fiscal Year 2023 through the end of the Forecast Period, for purposes of the Report of the Airport Consultant, it is assumed that the landing fee will continue as a cost center residual calculation as currently contemplated in the Proposed Signatory Passenger Airline Agreement MOU. See "SIGNATORY PASSENGER AIRLINE AGREEMENTS AND CERTAIN NON-AIRLINE AGREEMENTS – Existing and Proposed Signatory Passenger Agreements – Proposed Signatory Passenger Airline Agreement MOU" above for additional information regarding the terms of the Proposed Signatory Passenger Airline Agreements. The Signatory Airline Landing Fee Rate per 1,000-pound unit of landed weight was $2.04 and $2.23 in Fiscal Years 2022 and 2021, respectively. The Authority collected approximately $21.5 million and $17.2 million in landing fees in Fiscal Years 2022 and 2021, respectively. In Fiscal Year 2019 (the last full Fiscal Year prior to the start of the COVID-19 pandemic), the Signatory Airline Landing Fee Rate per 1,000-pound unit of landed weight was $3.09, and the Authority collected approximately $29.2 million in landing fees. For a discussion regarding forecasted results during the Forecast Period, including the period after expiration of the Existing Signatory Passenger Airline Agreements in Fiscal Year 2023, see "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Financial Framework and Analysis – Airline Revenues – Landing Fees."

Terminal Rents. Pursuant to the Existing Signatory Passenger Airline Agreements, the Authority recovers Terminal Rents from the Signatory Airlines based on a fixed rate per square foot, which was $111.00 and $108.29 per square foot in Fiscal Years 2022 and 2021, respectively. The Authority collected approximately $23.6 million and $23.0 million in Terminal Rents in Fiscal Years 2022 and 2021, respectively. In Fiscal Year 2019 (the last full Fiscal Year prior to the start of the COVID-19 pandemic), Terminal Rent fixed rate per square foot was $103.07 per square foot and the Authority collected approximately $18.4 million in Terminal Rents. For a discussion regarding forecasted results during the Forecast Period, including the period after expiration of the Existing Signatory Passenger Airline Agreements in Fiscal Year 2023, see "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Financial Framework and Analysis – Airline Revenues – Terminal Rents."

Passenger Loading Bridge and Baggage Fees. Costs of operating and maintaining Passenger Loading Bridges and Baggage Systems and Equipment are recovered through Passenger Loading Bridge Fees and Baggage Fees, respectively. The Authority collected approximately $540,000 and $715,000 in Passenger Loading Bridge Fees in Fiscal Years 2022 and 2021, respectively. The Authority collected approximately $14.0 million and $8.3 million in Baggage Fees in Fiscal Years 2022 and 2021 respectively. In Fiscal Year 2019 (the last full Fiscal Year prior to the start of the COVID-19 pandemic), the Authority collected approximately $426,000 in Passenger Loading Bridge Fees and approximately $11.1 million in Baggage Fees. For a discussion regarding forecasted results during the Forecast Period, including the period after expiration of the Existing Signatory Passenger Airline Agreements in Fiscal Year 2023, see "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Financial Framework and Analysis – Airline Revenues – Other Signatory Airline Fees."

Terminal Ramp Area Rentals. Per the existing compensatory rate-setting methodology under the Existing Signatory Passenger Airline Agreements, the Authority recovers approximately 80% of direct and allocated indirect costs for airline use of the Terminal Ramp Area cost center. The Authority collected approximately $2.0 million and $2.1 million in Terminal Ramp Area rentals in Fiscal Years 2022 and 2021, respectively. In Fiscal Year 2019 (the last full Fiscal Year prior to the start of the COVID-19 pandemic), the Authority collected approximately $2.3 million in Terminal Ramp Area rentals. For a discussion regarding forecasted results during the Forecast Period, including the period after expiration of the Existing Signatory Passenger Airlines Agreements in Fiscal Year 2023, see "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Financial Framework and Analysis – Airline Revenues – Terminal Ramp Area Rentals."

Concession Revenue Share. Pursuant to the Existing Signatory Passenger Airline Agreements, Concession Revenue Share, consists of an In-Terminal Concession Share, equal to 50% of in terminal concessions. The Authority collected approximately $8.4 million and $4.7 million in Concession Revenue Share in Fiscal Years 2022 and 2021, respectively. In Fiscal Year 2019 (the last full Fiscal Year prior to the start of the COVID-19 pandemic), the Authority collected approximately $7.0 million in Concession Revenue Share. For a discussion regarding forecasted results during the Forecast Period, including the period after expiration of the Existing Signatory Passenger Airlines Agreements in Fiscal Year 2023, see "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Financial Framework and Analysis – Airline Revenues – Concession Revenue Share."

For additional information regarding operating revenues, see "AUTHORITY FINANCIAL INFORMATION – Schedule of Revenues, Expenses and Changes in Net Position."

Non-Airline Revenue

Non-Airline Revenue includes, but is not limited to, revenues from parking, ground transportation, and rental car concessions. Parking, ground transportation and rental car revenues represent the largest component of Non-Airline Revenue for the Airport System, accounting for approximately 71.0% and 54.3% of total Non-Airline Revenue in Fiscal Years 2022 and 2021, respectively. In Fiscal Year 2019 (the last full Fiscal Year prior to the start of the COVID-19 pandemic), parking, ground transportation and rental car revenues accounting for approximately 63.6% of total Non-Airline Revenue for the Airport System. Automobile parking revenues, TNC fees, rental car concession fees, and taxi/limousine/shuttle fees are primary sources of parking and ground transportation revenues. For additional information regarding parking, ground transportation, and rental car revenues and forecasted results during the Forecast Period, see "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Financial Framework and Analysis – Non-Airline Revenue."

Parking Revenues. The Authority implemented parking rate changes in February 2022 and monitors public parking rates and implements rate changes periodically. The Authority offers a variety of parking options to address the differing needs of its customer base. The Authority has been able to realize significant revenue gains resulting from these parking rate increases and the differing products as demand has continued to increase. The Authority collected approximately $76.1 million and $27.1 million in parking revenues in Fiscal Years 2022 and 2021, respectively. In Fiscal Year 2019 (the last full Fiscal Year prior to the start of the COVID-19 pandemic) the Authority collected approximately $53.2 million in parking revenues. For information regarding the Parking Agreement and a discussion regarding forecasted results during the Forecast Period, see "SUMMARY OF CERTAIN PROVISIONS OF THE SIGNATORY PASSENGER AIRLINE AGREEMENTS AND CERTAIN NON-AIRLINE AGREEMENTS – Non-Airline Agreements – Parking Agreement" herein and "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Financial Framework and Analysis – Non-Airline Revenue – Parking, Ground Transportation, and Rental Car – Parking Revenues."

Ground Transportation Concessions. Ground transportation concessions include the pick-up and drop-off fees paid by the TNCs and the fees paid by taxis, limos and shuttle bus services. The Authority collected approximately $12.6 million, $4.9 million, $6.7 million, $7.3 million and $4.9 million in ground transportation concessions in Fiscal Years 2022, 2021, 2020, 2019 (the last full Fiscal Year prior to the start of the COVID-19 pandemic) and 2018, respectively, of which approximately $8.9 million, $2.7 million, $5.3 million, $4.7 million and $3.5 million were TNC Fees, respectively. When the TNCs initiated service at the Airport in 2014, the Authority only collected a $4.00 pick-up fee from the TNCs, but did not collect a drop-off fee. The Authority began collecting a $2.00 drop-off fee on January 1, 2020, which drop-off fee was increased to $3.00 per drop-off on January 1, 2021 and further increased to $4.00 per drop-off on January 1, 2022. For information regarding the TNC Agreements and a discussion regarding forecasted results during the Forecast Period, see "SUMMARY OF CERTAIN PROVISIONS OF THE SIGNATORY PASSENGER AIRLINE AGREEMENTS AND CERTAIN NON-AIRLINE AGREEMENTS – Non-Airline Agreements – TNC Agreements" herein and "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Financial Framework and Analysis – Non-Airline Revenue – Parking, Ground Transportation, and Rental Car – Ground Transportation Concessions." See also "CERTAIN INVESTMENT CONSIDERATIONS – Technological Innovations in Ground Transportation."

Rental Car Concessions. Pursuant to the Rental Car Concession Agreements, the Authority collected approximately $20.5 million and $12.7 million in rental car concessions in Fiscal Year 2022 and 2021, respectively. In Fiscal Year 2019 (the last full Fiscal Year prior to the start of the COVID-19 pandemic) the Authority collected approximately $16.2 million in rental car concessions. For information regarding the terms of the Rental Car Concession Agreements and a discussion regarding forecasted results during the Forecast Period, see "SUMMARY OF CERTAIN PROVISIONS OF THE SIGNATORY PASSENGER AIRLINE AGREEMENTS AND CERTAIN NON-AIRLINE AGREEMENTS – Non-Airline Agreements – Rental Car Concession Agreements" and "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Financial Framework and Analysis – Non-Airline Revenue – Parking, Ground Transportation, and Rental Car – Rental Car Concessions."

Terminal Concession Revenues. Terminal concession revenues include food and beverage, retail, and news and gift concessions. The Authority collected approximately $16.7 million and $9.4 million in terminal concessions in Fiscal Year 2022 and 2021, respectively. In Fiscal Year 2019 (the last full Fiscal Year prior to the start of the COVID-19 pandemic) the Authority collected approximately $13.9 million in terminal concessions. For information regarding the terms of the Lease and Concession Agreement and a discussion regarding forecasted results during the Forecast Period, see "SUMMARY OF CERTAIN PROVISIONS OF THE SIGNATORY PASSENGER AIRLINE AGREEMENTS AND CERTAIN NON-AIRLINE AGREEMENTS – Non-Airline Agreements – Lease and Concession Agreement (Fraport)" and "– Satellite Concourse Concession Agreement (Paradies)" and "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Financial Framework and Analysis – Non Airline Revenue – Terminal Concessions."

Other Buildings and Areas. Other buildings and areas revenues include air cargo revenues, hangar, ground, and land rentals, fixed base operator rents and other miscellaneous reimbursements and revenues. The Authority collected approximately $16.8 million and $14.0 million in other buildings and areas revenues in Fiscal Years 2022 and 2021, respectively. In Fiscal Year 2019 (the last full Fiscal Year prior to the start of the COVID-19 pandemic) the Authority collected approximately $16.0 million in other buildings and areas revenues. For a discussion regarding forecasted results during the Forecast Period, see "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Financial Framework and Analysis – Non-Airline Revenue – Other Buildings and Areas."

Airfield. Airfield revenues from sources other than Signatory Airlines is comprised of Non-Signatory Airline Landing Fees and fuel flowage fees. The Authority collected approximately $1.7 million and $630,000 in Non-Signatory Airline Landing Fees and fuel flowage fees in Fiscal Years 2022 and 2021, respectively. In Fiscal Year 2019 (the last full Fiscal Year prior to the start of the COVID-19 pandemic) the Authority collected approximately $2.8 million in Non-Signatory Airline Landing Fees and fuel flowage fees. For a discussion regarding forecasted results during the Forecast Period, see "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Financial Framework and Analysis – Non-Airline Revenue – Airfield."

Reliever Airport. Operating revenues at the Reliever Airport mainly consist of rent payments received from tenants at the Reliever Airport. Operating revenues at the Reliever Airport were approximately $984,000 and $581,000 in Fiscal Years 2022 and 2021, respectively. In Fiscal Year 2019 (the last full Fiscal Year prior to the start of the COVID-19 pandemic), operating revenues at the Reliver Airport were approximately $920,000. For a discussion regarding forecasted results during the Forecast Period, see "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Financial Framework and Analysis – Non-Airline Revenue – The Reliever Airport."

For additional information regarding non-airline revenue, see "SUMMARY OF CERTAIN PROVISIONS OF THE SIGNATORY PASSENGER AIRLINE AGREEMENTS AND CERTAIN NON-AIRLINE AGREEMENTS – Non-Airline Agreements" and "AUTHORITY FINANCIAL INFORMATION – Schedule of Revenues, Expenses and Changes in Net Position."

Federal, State and Other Grants

The Authority receives federal grants for Airport capital development under the FAA's Airport Improvement Program ("AIP"). The Authority received AIP entitlement grants of approximately $4.5 million in each of Fiscal Years 2022 and 2021, based on: (a) levels of funding authorized and appropriated by Congress for the program; (b) the number of passengers and amount of cargo at the Airport; and (c) a 75% reduction in entitlement grants associated with the Authority's $4.50 PFC level. The Reliever Airport receives a total of approximately $150,000 per year. The Authority also receives AIP discretionary grants for specific projects pursuant to grant applications for such funding, and FAA discretionary grant awards, which are a function of the amounts authorized and appropriated by Congress and the FAA's prioritization of competing projects. The Authority expects to fund approximately $45.5 million of BNA Vision projects with federal and State grants. For additional information regarding federal and State grants, see "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Airport Facilities and Capital Program – Authority Capital Program Plan of Finance – Federal, State and Other Grants." See also "COVID-19 PANDEMIC ISSUES AND IMPACTS – Financial Condition and Liquidity –Federal Aid Related to COVID-19" with respect to the COVID-19 Federal Relief Funds received and to be received by the Authority.

Passenger Facility Charges

PFC Act, PFC Regulations, FAA Reauthorization Act. As part of the Aviation Safety and Capacity Expansion Act of 1990, as amended from time to time (the "PFC Act"), as implemented by the FAA pursuant to published regulations (the "PFC Regulations"), the United States Congress has authorized certain commercial service airports such as the Airport to collect passenger facility charges ("Passenger Facility Charge" or "PFC") from each eligible passenger enplaned at such airport in the amount of $1.00, $2.00, $3.00, $4.00 or $4.50, subject to certain limitations, set forth in the regulations promulgated by the FAA implementing the PFC Act. Airport-related projects eligible for PFCs are those that preserve or enhance capacity, safety or security of the national air transportation system, reduce noise from an airport that is part of the system or provide an opportunity for enhanced competition between or among air carriers or foreign air carriers. "Eligible airport related projects" include airport development or planning, terminal development, airport noise compatibility measures and planning and construction of gates and related areas (other than restaurants, rental car facilities, automobile parking or other concessions) for the movement of passengers and baggage.

The FAA Reauthorization Act of 2018 (H.R. 302, Pub. L. 115-254) (Reauthorization) (the "FAA Reauthorization Act") was signed on October 5, 2018 and extends the FAA's funding and authorities through 2023. The FAA Reauthorization Act amends 49 U.S.C. §40117 (b)(4), among other provisions, by removing the AIP funds reasonability determination and the significant contribution requirement, which includes PFC 72-19 changes to the PFC levels above $3.00. In light of such legislation, FAA personnel should no longer apply these requirements in reviewing PFC applications.

PFCs are collected on behalf of airports by air carriers, certain foreign air carriers and their agents ("Collecting Carriers"). The Collecting Carriers are authorized to withhold, as a collection fee (a) 11 cents per enplaning passenger from whom a PFC is collected and (b) any investment income earned on the amount collected prior to the due date of the remittance. The PFC Act was amended in 1996 to provide that PFC Revenues that are held by a Collecting Carrier constitute a trust fund that is held for the beneficial interest of the eligible agency imposing the fee and that the Collecting Carrier holds neither legal nor equitable interest in the PFC Revenues, except for any handling fee or retention of interest collected on unremitted proceeds. In addition, PFC Regulations require Collecting Carriers to account for PFC collections separately and to disclose the existence and amount of funds regarded as trust funds in financial statements. The Collecting Carriers, however, are permitted to commingle PFC collections with the carriers' other sources of revenue and are also entitled to retain interest earned on PFC collections until such PFC must be remitted.

PFC applications for specific projects (including debt service on obligations issued to fund such projects) are approved by the FAA in specific total amounts and the Authority may impose the designated PFC only until it collects the authorized total amount. Interest earnings on the collections are treated as collections for purposes of the authorized total.

PFC Collections at the Airport. On January 1, 1993, the airlines operating at the Airport began collecting a PFC on qualifying enplaning passengers at the Airport on behalf of the Authority. Effective September 2010, the Authority was allowed to collect a $3.00 PFC per enplaning passenger. In May 2015, the Authority began collecting at a $4.50 PFC per enplaning passenger. The Authority currently anticipates remaining at this $4.50 collection level. PFCs are recorded as non-operating revenue and were approximately $35.7 million and $20.3 million in Fiscal Years 2022 and 2021, respectively.

As of September 30, 2022, the Authority was authorized by the FAA to impose and use approximately $946.9 million of PFC Revenues (at the $4.50 level) for various projects. Based on Final Agency Decisions, the FAA estimates the charge expiration date to be July 1, 2037. As of September 30, 2022, the Authority had collected approximately $500.7 million (including approximately $28.9 million of interest) of its total approved collection authority and had spent approximately $371.2 million on approved projects (including the debt service on certain Senior Bonds, the proceeds of which financed PFC eligible projects). As of September 30, 2022, the Authority had an unliquidated balance of approximately $129.6 million of PFC Revenues. The Authority is in the process of requesting authorization to impose and use an additional $619 million of PFCs, which would increase the Authority's total collection authority to $1.56 billion.

Permitted Use of PFC Revenues. Pursuant to the Senior Bond Resolution and the Subordinate Bond Resolution, the Authority is permitted to use PFC Revenues to pay for certain FAA-approved, PFC-eligible projects, either by using certain PFC Revenues to pay for approved project costs on a pay-as-you-go basis or by applying certain PFC Revenues to pay Debt Service associated with Senior Bonds and Subordinate Bonds issued to fund PFC approved projects. Accordingly, the Authority has been paying and intends to continue to pay a portion of the Debt Service on the Series 2015A Senior Bonds, the Series 2015B Senior Bonds and the Series 2019B Subordinate Bonds from available PFC Revenues and also intends to pay a portion of the Debt Service on the Series 2022 Senior Bonds related to the portion of the proceeds of the Series 2022 Senior Bonds, respectively, used to fund PFC eligible projects from available PFC Revenues. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 SENIOR BONDS – Flow of Funds" herein.

For a discussion of the Authority's ability to pledge PFC Revenues, to secure one or more Series of Senior Bonds under the Senior Bond Resolution or one or more Series of Subordinate Bonds under the Subordinate Bond Resolution, see APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION – Additional Senior Bonds and Other Indebtedness – Passenger Facility Charges" and "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE BOND RESOLUTION – Additional Subordinate Bonds and Other Indebtedness – Passenger Facility Charges."

For additional information regarding PFC Revenues, see "AUTHORITY FINANCIAL INFORMATION – Schedule of Revenues, Expenses and Changes in Net Position," "AUTHORITY CAPITAL PROGRAM – Anticipated Funding Sources for Authority Capital Program," "CERTAIN INVESTMENT CONSIDERATIONS – Passenger Facility Charges," "– Federal Funding" and "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT."

Customer Facility Charges

The customer facility charges ("Customer Facility Charges" or "CFCs") were authorized by resolution of the Authority adopted on November 26, 2007, as amended and restated during 2008 and amended and restated again on November 18, 2009 (the "CFC Enabling Resolution"). On January 1, 2008, the Authority began requiring the rental car companies operating at the Airport to charge a CFC to be used to pay, or to reimburse the Authority, for costs, fees and expenses associated with the planning, design, construction, financing, maintenance and operation of the CONRAC Facility and other costs, fees and expenses that may be paid from CFC proceeds in accordance with the CFC Enabling Resolution. The CFC was initially imposed at $4.00 per transaction day and increased to $4.50 per transaction day effective January 1, 2010. The CFC is collected by the on-Airport rental car companies on all vehicle rental transactions as specifically set forth in the CFC Enabling Resolution and the Rental Car Concession Agreements and subsequently remitted to the Authority. Avis, Budget, Burgner Enterprises Inc. (operating as Thrifty Car Rental), Enterprise, Hertz, Midwest Rental & Leasing LLC (operating as Dollar Rent-a-Car Company), Vanguard Car Rental USA Inc. (which operates the Alamo and National brands and is wholly owned by Enterprise Holdings), Payless and Sixt constitute the on-Airport rental car companies. The Authority collected approximately $12.9 million and $8.4 million of CFCs in Fiscal Years 2022 and 2021, respectively. In Fiscal Year 2019 (the last full Fiscal Year prior to the start of the COVID-19 pandemic) the Authority collected approximately $15.1 million in CFCs. CFCs are recorded as non-operating revenue and are not included as Airport Revenues pursuant to the Senior Bond Resolution or the Subordinate Bond Resolution. For additional information regarding Customer Facility Charges, see "AUTHORITY FINANCIAL INFORMATION – Schedule of Revenues, Expenses and Changes in Net Position" and "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Airport Facilities and Capital Program – Authority Capital Program Plan of Finance – Customer Facility Charges."

The Authority previously issued its: (a) $66,300,000 in aggregate principal amount of Special Facility Revenue Bonds (MPC CONRAC LLC Project), Series 2010 (the "Series 2010 CONRAC Bonds") to finance the CONRAC Facility; and (b) $27,358,295 in aggregate principal amount of Special Facility Revenue Bonds (MPC CONRAC LLC Project), Series 2018 (the "Series 2018 CONRAC Bonds," and together with the Series 2010 CONRAC Bonds, the "CONRAC Bonds") to refund a portion of the

Series 2010 CONRAC Bonds. As of November 1, 2022, the CONRAC Bonds were outstanding in the aggregate principal amount of $21,197,130. The CONRAC Bonds are payable from and secured by a pledge of certain rental payments derived from CFCs under the Rental Car Concession Agreements. Currently, CFCs only secure the CONRAC Bonds and do not constitute Airport Revenues or Net Revenues and are not pledged to the payment of any Senior Bonds under the Senior Bond Resolution or Subordinate Bonds under the Subordinate Bond Resolution. However, the Authority may elect to restructure the CONRAC Bonds and finance all or a portion of the CONRAC Facility with Additional Senior Bonds issued under the Senior Bond Resolution or Additional Subordinate Bonds issued under the Subordinate Bond Resolution, in which case the CFCs could be treated as Airport Revenues and Net Revenues available to pay debt service on Senior Bonds issued under the Senior Bond Resolution and Subordinate Bonds issued under the Subordinate Bond Resolution. In addition, CFCs collected in excess of the amounts required under the bond indentures or other authoritative or legal documents relating to the CONRAC Bonds may be used by the Authority for any lawful purpose. See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION" and "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE BOND RESOLUTION."

Authority Funds

The Authority has historically used some internal funds from the operation of the Airport System to fund certain projects from its ongoing capital improvement plan. Per the Senior Bond Resolution and the Subordinate Bond Resolution, any Revenues remaining in the Nashville Airports Experience (NAE) Fund, after all obligations have been satisfied, can be used by the Authority for any lawful purpose of the Authority. As of September 30, 2022, the balance in the Nashville Airports Experience (NAE) Fund was approximately $128.7 million.

AUTHORITY FINANCIAL INFORMATION

Schedule of Revenues, Expenses and Changes in Net Position

The following table presents the Authority's schedule of revenues, expenses and change in net position for Fiscal Years 2018 through 2022 and reflects financial information for the Airport, the Reliever Airport and the MPC. MPC revenues and expenses are not included in the definition of Airport Revenues or the definition of Operating Expenses, respectively, except that ground rent payments and management fees by MPC and its subsidiaries to the Authority are included in Airport Revenues. As such, the following table should be read together with the Authority's financial statements, which presents the condensed financial information for the Airport, the Reliever Airport, and its blended component unit, MPC. Such information is presented in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 61, The Financial Reporting Entity: Omnibus, An Amendment of GASB Statements No. 14 and 34. There are no separately issued financial statements for the Airport, the Reliever Airport and MPC. See "APPENDIX B – ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY FOR THE FISCAL YEAR ENDED JUNE 30, 2022."

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Schedule of Revenues, Expenses and Change in Net Position(1)(2)
Fiscal Years 2018-2022
(Unaudited)

	2018	2019	2020	2021	2022
Operating Revenues:					
Signatory Airline	$48,091,521	$55,264,548	$46,012,326	$47,495,370	$54,395,946
Parking	50,369,200	53,153,828	41,735,515	27,116,496	76,135,079
Concession	33,498,728	37,203,600	31,730,323	27,024,842	50,155,481
Space Rental	16,648,433	16,885,811	14,918,277	15,469,797	20,142,385
Other	5,871,735	7,524,807	9,522,197	11,513,054	9,399,973
Total Operating Revenues	**$154,479,617**	**$170,032,594**	**$143,918,638**	**$128,619,559**	**$210,228,864**
Operating Expenses:					
Salaries and wages	$32,879,302	$38,469,934	$36,981,912	$25,133,488	$37,663,363
Contractual Services	36,801,980	41,434,039	42,218,732	35,011,863	51,659,702
Materials and Supplies	3,840,490	4,046,799	4,544,743	3,674,419	4,857,819
Utilities	5,639,206	6,140,029	5,977,699	5,761,724	7,002,019
Insurance	–	1,336,036	1,442,491	1,913,299	2,148,338
Other	6,101,266	8,287,094	5,270,165	3,040,336	9,634,334
Total Operating Expenses	**$85,262,244**	**$99,713,931**	**$96,435,743**	**$74,535,129**	**$112,965,625**
Provision for Depreciation	**$39,914,221**	**$44,497,442**	**$49,768,473**	**$53,383,630**	**$79,273,711**
Nonoperating Revenues:					
Investment income (loss)	$2,149,363	$7,703,826	$23,723,090	$1,647,674	$(4,756,436)
Passenger facility charges	28,300,013	31,416,941	26,384,555	20,253,069	35,678,032
Customer facility charges	14,290,386	15,094,273	11,827,674	8,365,388	12,939,459
Other nonoperating revenues	495,797	–	12,032,061	36,580,521	28,413,059
Total Nonoperating Revenues	**$45,235,559**	**$54,215,040**	**$73,967,380**	**$66,846,652**	**$72,274,144**
Nonoperating Expenses:					
Debt-related expenses	$10,262,472	$13,267,265	$37,994,910	$49,322,732	$50,168,719
Other nonoperating expenses	914,499	16,170,808	112,570	2,160,638	–
Total Nonoperating Expenses	**$11,176,971**	**$29,438,073**	**$38,107,480**	**$51,483,370**	**$50,168,719**
Capital Contributions	**15,010,688**	**18,178,942**	**21,287,199**	**31,356,438**	**29,762,836**
Increase in Net Position	**78,372,428**	**68,777,130**	**54,861,521**	**47,420,520**	**69,857,789**
Total Net Position – End of Year	**$657,510,531**	**$726,287,661**	**$781,149,182**	**$828,569,702**	**$898,427,491**

(1) This table presents the Authority's revenues, expenses and change in net position in accordance with the Management's Discussion and Analysis (Unaudited) in the Authority's Annual Comprehensive Financial Reports for the Fiscal Years ended June 30, 2018 through June 30, 2022 and differs from the Schedule of Revenues, Expenses and Change in Net Position presented in the Statistical Information sections (unaudited) of the Authority's Annual Comprehensive Financial Reports (the "Statistical Information Sections"). Specifically, certain other operating expenses, other nonoperating revenues, other nonoperating expenses, and capital contributions are presented differently, but there is no difference between the total net position in each Fiscal Year presented in this table and the Statistical Information Sections.

(2) This table presents the Authority's schedule of revenues, expenses and change in net position for Fiscal Years 2018 through 2022 and reflects financial information for the Airport, the Reliever Airport, and the MPC. MPC revenues and expenses are not included in the definition of Airport Revenues or the definition of Operating Expenses, respectively, except that ground rent payments and management fees by MPC and its subsidiaries to the Authority are included in Airport Revenues. As such, the following table should be read together with the Authority's financial statements, which present the condensed financial information for the Airport, the Reliever Airport, and its blended component unit, MPC. Such information is presented in accordance with GASB Statement No. 61, The Financial Reporting Entity: Omnibus, An Amendment of GASB Statements No. 14 and 34. There are no separately issued financial statements for the Airport, the Reliever Airport, and MPC. See "APPENDIX B – ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY FOR THE FISCAL YEAR ENDED JUNE 30, 2022."

Source: Management's Discussion and Analysis (Unaudited) in the Metropolitan Nashville Airport Authority Annual Comprehensive Financial Reports for the Fiscal Years ended June 30, 2018 through June 30, 2022.

Analysis of Airport Financial Results

Fiscal Year 2022 Results. The Authority completed its recovery from the COVID-19 pandemic during Fiscal Year 2022 with a record-breaking 9.2 million enplanements, a 79% increase from the previous Fiscal Year's 5.2 million enplanements. The previous record was set in pre-pandemic Fiscal Year 2019 with 8.6 million enplanements. The Airport averaged 261 daily airline departures to 97 nonstop destinations.

Operating revenues increased by $81.6 million (63.5%) in Fiscal Year 2022 from Fiscal Year 2021. Signatory airline revenue increased in Fiscal Year 2022 from Fiscal Year 2021 by $6.9 million (14.5%) as terminal rental rates, baggage fees were raised. The increase was offset by a reduction in landing fees. Parking revenue increased in Fiscal Year 2022 from Fiscal Year 2021 by $49.0 million (180.8%) due to the large increase in passenger volume at the Airport. Parking rates also were raised to keep up with the growing demand. Concessions revenue, increased from Fiscal Year 2021 to Fiscal Year 2022 by $23.1 million (85.6%), due to the increase in passenger volume, as well as the addition of 49 new food and retail concepts. Space rental increased from Fiscal Year 2021 to Fiscal Year 2022 by $4.7 million (30.2%) and other operating revenues such as non-signatory landing fees decreased by $2.1 million (18.4%) from Fiscal Year 2021 to Fiscal Year 2022.

Total operating expenses increased by $38.4 million (51.6%) from Fiscal Year 2021 to Fiscal Year 2022. Operating expenses in Fiscal Year 2021 were low due to the Authority's response to the COVID-19 pandemic. Cost cutting measures included closing all surface parking lots (which reduced parking lot fees and corresponding shuttle service expenses), reducing the number of security guard hours, freezing all open positions, eliminating all travel, and training expenses, and eliminating raises and bonuses. In the final quarter of Fiscal Year 2021, air travel increased, and the Authority saw signs of recovery. Increased passenger volume led to higher expenses. Salaries and benefits increased by $12.5 million (49.9%), and contractual services by $16.6 million (47.5%). Salaries increased as positions which had previously been frozen were re-opened, and the Authority was able to grant raises and bonuses as it had in prior years. Contract services increased as more staff was needed to manage the terminal and parking structures, and contractor wages increased because of post-pandemic labor shortages.

Nonoperating revenues increased by $5.4 million (8.1%) and nonoperating expenses decreased $1.3 million (2.6%) from Fiscal Year 2021 to Fiscal Year 2022. Passenger Facility Charges increased by $15.4 million (76.2%), and Customer Facility Charges increased by $4.6 million (54.7%), both a direct result of more passengers traveling in Fiscal Year 2022. These increases were offset by decreases in insurance settlement income of $3.2 million (63.7%), federal non-capital grant income of $5.0 million (15.9%), and investment losses of $6.4 million (388.7%). Federal non-capital grant income decreased as the Authority drew $30.1 million in federal COVID-19 relief funds in Fiscal Year 2021, and $25.1 million drawn in Fiscal Year 2022. Investment losses were recorded in Fiscal Year 2022 due to unfavorable market conditions.

Capital contributions decreased between Fiscal Year 2021 to Fiscal Year 2022 by $1.6 million (5.1%) due to completing much of the Runway 2R/20L and the Reliever Airport air traffic control tower projects in Fiscal Year 2021 and offset by ramping up construction on the Reliever Airport redevelopment project in Fiscal Year 2022. Capital contributions include funding from the FAA for AIP grants and grants from the State.

Fiscal Year 2021 Results. During Fiscal Year 2021, the Authority continued to be affected by the COVID-19 pandemic (COVID-19 continued to spread and surged at times), which reduced holiday enplanements by over 50%. Enplanements in Fiscal Year 2021 were 5.2 million, a decrease of 24.9% from the previous Fiscal Year. Beginning in December 2020, the COVID-19 vaccine became available to the most at-risk members of society and became widely available to all by spring of 2021. As such, passenger volumes began to increase during the final quarter of Fiscal Year 2021, ending with higher daily averages than the Airport had seen prior to the start of the pandemic. Due to increased volume in the last quarter of Fiscal Year 2021, the Authority was able to start backfilling vacant positions, re-opening some parking lots, and increasing overall spending to accommodate the return of passengers.

Operating revenues decreased in Fiscal Year 2021 from Fiscal Year 2020 by $15.3 million (10.6%). Signatory airline revenue increased in Fiscal Year 2021 from Fiscal Year 2020 by $1.5 million as terminal rental rates and baggage fees were raised, offset by a decrease in signatory landing fees. Parking revenue decreased in Fiscal Year 2021 from Fiscal Year 2020 by $14.6 million (35.0%) and concessions revenue decreased in Fiscal Year 2021 from Fiscal Year 2020 by $4.7 million (14.8%). Space rental increased in Fiscal Year 2021 from Fiscal Year 2020 by $551,000 (3.7%) and other operating revenues such as non-signatory landing fees increased in Fiscal Year 2021 from Fiscal Year 2020 by $2 million (20.9%).

Operating expenses decreased by $21.9 million (22.7%) from Fiscal Year 2020 to Fiscal Year 2021. In Fiscal Year 2020, two events unfolded which had an impact on the Authority's operating expenses. In the middle of March 2020, at the beginning of the COVID-19 pandemic, the Authority started taking steps to reduce costs. Examples of these cost cutting measures were to close all surface parking lots (which reduced parking lot fees and corresponding shuttle service expenses), reducing the number of security guard hours, freeze all open positions, eliminated all travel and training expenses, and eliminated raises and bonuses. These cost-cutting measures were carried into Fiscal Year 2021 as the pandemic continued. Salaries and benefits decreased by $11.8 million (32.0%), and contractual services decreased by $7.2 million (17.1%) from Fiscal Year 2020 to Fiscal Year 2021.

Nonoperating revenues decreased $7.1 million (9.6%) and nonoperating expenses increased $13.4 million (35.1%) in Fiscal Year 2021 from Fiscal Year 2020. For Fiscal Year 2021, a cost to market adjustment was recorded at $11 million to decrease the value of investments, and investment income decreased by $2.3 million due to normal market fluctuations. Passenger Facility Charges and Customer Facility Charges decreased in Fiscal Year 2021, corresponding with the decrease in overall passenger volume from the prior years due to the pandemic. As part of the CARES Act, the Authority was allocated $55.0 million of which $30.2 million was drawn in Fiscal Year 2021. Interest expense increased by $15.3 million (44.8%) in Fiscal Year 2021 due to the issuance of the Series 2019 Subordinate Bonds in December 2019.

Capital contributions increased between Fiscal Year 2020 to Fiscal Year 2021 by $10 million (47.3%), the increase was due to the reconstruction of Runway 2R/20L at the Airport and the construction of the air traffic control tower at the Reliever Airport. The increase was offset by the completion of the Taxiway Alpha/Kilo Intersection reconstruction and the Taxiway Lima Rehabilitation projects. Capital contributions include funding from the FAA for AIP grants and grants from the State.

Fiscal Year 2020 Results. The Authority was affected by the outbreak of COVID-19 and related restrictions which had an adverse effect on both international and domestic travel and travel-related industries around the world, including airlines serving the Airport and its airport concessionaires. Passenger airlines reported a significant downturn in traffic, for continued reduced levels of passenger traffic. In addition, the reduction in air travel had an adverse effect on food/retail concessions, parking, ground transportation, and rental car activity. During the first eight months of Fiscal Year 2020 (July 2019 through February 2020), enplanements were up 12.8% year to date over the prior Fiscal Year. As a result of the impact on air travel resulting from COVID-19, the Airport finished Fiscal Year 2020 with an overall decrease in total enplanements of 20.2% over Fiscal Year 2019. Enplanements totaled 6.9 million in Fiscal Year 2020, with 13.7 million total passengers served.

On March 3, 2020, a tornado touched down in the Nashville area and continued its path across Middle Tennessee. The Reliever Airport incurred significant damage from the storm, including infrastructure damage to the terminal and other buildings (17 hangars), airfield, pavement, navigational aids, signage, lighting, fencing, utilities and more. The Reliever Airport reopened on March 20, 2020. Fortunately, the Reliever Airport was still able to complete construction on a new aircraft hangar with an attached office and shop space and related aircraft asphalt taxilane, asphalt apron, and vehicle parking, during Fiscal Year 2020. A study to create a new redevelopment plan for the Reliever Airport was started at the end of Fiscal Year 2020.

Operating revenues decreased in Fiscal Year 2020 from Fiscal Year 2019 by $26.1 million (15.4%). Signatory airline revenue decreased in Fiscal Year 2020 from Fiscal Year 2019 by $9.2 million (16.7%). Parking revenue decreased in Fiscal Year 2020 from Fiscal Year 2019 by $11.4 million (21.5%) and concessions revenue decreased in Fiscal Year 2020 from Fiscal Year 2019 by $5.5 million (14.7%). Space rental decreased in Fiscal Year 2020 from Fiscal Year 2019 by $2 million (11.6%) and other operating income such as non-signatory landing fees increased in Fiscal Year 2020 from Fiscal Year 2019 by $2 million (26.5%).

Operating expenses decreased by $3.3 million (3.3%) from Fiscal Year 2019 to Fiscal Year 2020. In Fiscal Year 2020, two events unfolded which had an impact on the Authority's operating expenses. In the middle of March 2020, the COVID-19 pandemic started spreading around the world. As the impact of COVID-19 started to be felt in the Nashville region, the Authority started taking steps to reduce costs. Examples of these cost cutting measures were to close all surface parking lots (which reduced parking lot fees and corresponding shuttle service expenses), reducing the number of security guard hours, freeze all open positions, eliminated all travel and training expenses, and eliminated raises and bonuses. Prior to February 2020, operating expenses were $6.5 million higher than Fiscal Year 2019, but with the cost cutting measures, the Authority ended Fiscal Year 2020 with a $3.3 million decrease over Fiscal Year 2019.

Nonoperating revenues and expenses increased in Fiscal Year 2020 from Fiscal Year 2019 by $19.8 million (36.4%) and 8.7 million (29.4%), respectively. Investment income increased by $16 million (207.9%) in Fiscal Year 2020, due to the implementation of a new investment strategy and receiving additional bond funds to invest in Fiscal Year 2020. Passenger Facility Charges and Customer Facility Charges decreased $5.0 million (16.0%) and $3.3 million (21.6%), respectively, in Fiscal Year 2020 from Fiscal Year 2019. Interest expense increased by $20.8 million (156.7%) in Fiscal Year 2020 due to the issuance of the Series 2019 Subordinate Bonds in December 2019.

Capital contributions increased between Fiscal Year 2019 to Fiscal Year 2020 by $3.1 million (17.1%). Capital contributions includes funding from the FAA for AIP grants and grants from the State of Tennessee.

Fiscal Year 2019 Results. The Authority experienced another year of record growth in Fiscal Year 2019, surpassing 17.1 million total passengers and approximately 8.6 million enplanements. Gross landed weight also increased 15.2%, totaling 9.95 billion pounds in Fiscal Year 2019.

Operating revenues increased $15.6 million (10.1%) over the prior year. Signatory Airline revenue increased $7.2 million (14.9%) primarily due to a contractual reimbursement from the airlines for a baggage handling project. Parking and concession revenue increased $2.8 million (5.5%) and $3.7 million (11.1%), respectively, which were attributable to the increase in passengers. Other operating revenue increased $1.7 million (28.2%) due to Non-Signatory Airline landing weight increasing from Allegiant, British Airways and Sun Country.

Operating expenses increased $14.5 million (16.9%) over Fiscal Year 2018. Salary and wages were up $5.6 million (17%) due to: a 3% cost of living adjustment, increase in base salaries as a result of a compensation study conducted in early 2019, and increase of 13 new positions needed due to the growth in passenger traffic. Contractual services increased $4.6 million (12.6%) primarily due to additional janitorial services, security services, and parking lot operations required to handle the passenger growth. Insurance and other operating expenses increased $3.5 million (57.7%) due to the settlement of a lawsuit against the Authority and additional payments for airline incentives to British Airways.

Nonoperating revenues and expenses increased $9.0 million (19.9%) and $18.3 million (163.4%), respectively, over Fiscal Year 2018. The increase in investment income of $5.6 million (258.4%) was attributable to better market conditions and changes in overall investment strategy that was started in January 2018. Collection of Passenger Facility Charges increased $3.1 million (11%) due to the growth in passengers. The increase in interest expense of $3 million (29.3%) was related to additional borrowings on the credit facility the Authority entered into on January 7, 2019 with Bank of America, N.A. Other non-operating expenses increased $15.3 million primarily due to the loss in connection with disposal of assets related to the demolition of the short-term garage and the old Concourse D.

Fiscal Year 2018 Results. The Authority continued another year of double digit growth, surpassing 14.9 million total passengers and approximately 7.5 million enplanements. The Authority also continued to add new air service in Fiscal Year 2018, including new nonstop flights to London's Heathrow Airport with British Airways, Nashville's first transatlantic service since 1994.

Operating revenues increased $26.4 million (20.6%) over Fiscal Year 2017. Signatory Airline revenue increased $17.4 million (56.8%) due to: Southwest's increased amount of square feet rented; price per square foot increased from $90 to $100.55; increase in landed weight of 10.3% and a landing fee rate change from $2.54 in 2017 to $3.21 in 2018; concession true-up credit to the airlines decreased due to contractual change (2017 airlines received 60% of in-terminal concessions and 20% of rental car concessions, 2018 airlines only received 50% of in-terminal concessions). Parking revenue increased $6.4 million (14.5%) driven by the passenger growth and a rate increase implemented on September 1, 2017. Concession revenue, which includes ground transportation and car rental revenue, increased $4.2 million (14.2%) due to the passenger growth at the Airport. Other operating revenue decreased $3.1 million (34.7%) over the prior year primarily due to two one-time insurance settlements received ($2.1 million) and $682,000 received from the Nashville Electric Service energy efficiency program in 2017.

Operating expenses increased $7.7 million (9.9%) over Fiscal Year 2017. Salary and wages decreased $983,000 (2.9%) primarily due to open budgeted positions not filled during the year. Contractual services increased $8.2 million (28.6%) over 2017 due to: opening and running of the new Express Park, new staff augmentation costs for design and engineering for increased construction and increase in janitorial and security services to keep up with the passenger growth.

Nonoperating revenues increased $4.3 million (10.6%) over Fiscal Year 2017. Investment income increased $1.4 million (194.4%) due to the new investment strategy implemented in January 2018. Collection of Passenger Facility Charges increased $2.3 million (8.9%) due to overall enplanement growth.

Senior and Subordinate Debt Service Coverage

The following table presents the historical debt service coverage on the Senior Bonds and the Subordinate Bonds for Fiscal Years 2018 through 2022.

Senior and Subordinate Debt Service Coverage[(1)]
Fiscal Years 2018-2022
(Unaudited)

	2018	2019	2020	2021	2022
Airport Revenues (Operating Revenues)[(2)]	$151,362,491	$166,845,829	$140,324,281	$125,103,988	$206,386,328
Add: Investment Income[(2)]	2,148,385	7,691,491	23,671,953	1,638,683	(4,929,426)
Revenues Available for Debt Service	**153,510,876**	**174,537,320**	**163,996,234**	**126,742,671**	**201,456,902**
Less: Operating Expenses[(3)]	(83,769,031)	(98,347,533)	(95,177,939)	(83,844,828)	(112,644,774)
Plus: CARES/CRRSAA Moneys Applied to Operating Expenses[(3)]	–	–	2,925,517	3,988,211	2,026,935
Net Revenues	**$69,741,845**	**$76,189,787**	**$71,743,812**	**$46,886,054**	**$90,839,063**
Senior Debt Service					
Interest	$7,715,268	$10,563,490	$10,155,649	$9,859,235	$9,649,735
Principal	11,515,000	16,155,000	4,565,000	4,835,000	5,080,000
Less: PFC Revenues Applied to Debt Service[(4)]	(4,227,479)	(6,560,025)	(573,900)	–	(688,478)
Less: Debt Service Reserve Fund Release[(5)]	–	(3,723,692)	–	–	–
Less: CARES/CRRSAA Moneys Applied to Debt Service[(6)]	–	–	(2,384,981)	(8,934,541)	(7,865,937)
Total Senior Debt Service	**$15,002,789**	**$16,434,773**	**$11,761,768**	**$5,759,694**	**$6,175,320**
Senior Debt Service Coverage	**4.65x**	**4.64x**	**6.10x**	**8.14x**	**14.71x**
Subordinate Debt Service					
Interest	–	–	$2,996,813	$22,830,050	$27,295,973
Principal	–	–	–	–	–
Less: CARES/CRRSAA Moneys Applied to Debt Service	–	–	(998,920)	(17,240,578)	(15,172,652)
Total Subordinate Debt Service	–	–	**$1,997,893**	**$5,589,472**	**$12,123,321**
Subordinate Debt Service Coverage	–	–	**30.0x** –	**7.36x**	**7.49x**
Senior and Subordinate Debt Service Coverage	**4.65x**	**4.64x**	**5.21x**	**4.13x**	**4.96x**

(1) This table presents the debt service coverage for the Authority's outstanding Senior Bonds and Subordinate Bonds in accordance with the Senior Bond Resolution and the Subordinate Bond Resolution, respectively, and differs from the debt service coverage presented in the Statistical Information Sections. Specifically, the debt service coverage calculations in the Statistical Information Sections include different sources of available revenues, expenses and associated debt service. Does not include amounts paid to Bank of America, N.A. pursuant to the Note Purchase Agreement.

(2) Includes annual operating revenues and investment income derived from the Airport and the Reliever Airport.

(3) Includes annual operating expenses related to the Airport and the Reliever Airport.

(4) Includes amounts transferred from PFC Revenues to pay debt service on the Authority's Airport Improvement Revenue Bonds, Series 2009A (the "Series 2009A Senior Bonds") (which are no longer Outstanding), the Series 2015A Senior Bonds and the Series 2015B Senior Bonds.

(5) Includes release of funds relating to the Series 2009A Senior Bonds (which are no longer Outstanding) from the Airport Improvement Bond Reserve Fund.

(6) See "COVID-19 PANDEMIC ISSUES AND IMPACTS."

Source: Metropolitan Nashville Airport Authority.

The Authority's Debt Management Policy (most recently updated on July 22, 2020), sets forth the Authority's goal to maintain a debt service coverage ratio of 150% on the Senior Bonds and a combined debt service coverage ratio of 125% on the Senior Bonds and the Subordinate Bonds. For information regarding the Airport Consultant's forecasted debt service coverage ratios relating to the Senior Bonds and the Subordinate Bonds throughout the Forecast Period, see "REPORT OF THE AIRPORT CONSULTANT AND RATE COVENANT FORECAST" and "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Financial Framework and Analysis – Net Revenues and Debt Service Coverage."

Airline Cost Per Enplaned Passenger

A general test of reasonableness for airline costs at an airport is the average airline cost per enplaned passenger ("CPE"). The CPE for the Airport presented in the following table includes the Landing Fees, Terminal Rents, Passenger Loading Bridge Fees, Baggage Fees and Terminal Ramp Area rentals, offset by revenues shared with the Signatory Airlines, and divided by total enplaned passengers.

Average Airline Cost Per Enplaned Passenger[(1)]
Fiscal Years 2018-2022[(1)]

Fiscal Year	Average Airline CPE
2018	$6.78
2019	6.67
2020	6.89
2021	9.37
2022	6.16

(1) This table presents the Authority's average airline cost per enplaned passenger and differs from the average cost per enplaned passenger presented in the Statistical Sections of the Authority's Annual Financial Statements. Specifically, the information presented in this table is based on the airline rate model.

Source: Metropolitan Nashville Airport Authority

For forecasted CPE for the Airport, see "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Financial Framework and Analysis – Airline Revenues – Airline Cost per Enplaned Passenger."

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Available Funds for Operations and Debt Service (Days-Cash-On-Hand)

The following table sets forth the Authority's unrestricted cash and investments that were available to pay Operating Expenses and debt service (also referred to as "days-cash-on-hand") as of June 30 of Fiscal Years 2018 through 2022. "Days-cash-on-hand" is calculated as (i) unrestricted cash and investments as of June 30, divided by (ii) daily Operating Expenses for such Fiscal Year. The Authority's Debt Management Policy (most recently updated on July 22, 2020), sets forth the Authority's goal to maintain a range of 550 to 650 days-cash-on-hand.

Days-Cash-On-Hand
Fiscal Years 2018-2022
(Unaudited)

	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
Unrestricted Cash and Investments[(1)]	\$44,633,926	\$152,379,370	\$175,036,075	\$224,443,581	\$311,592,952
Total Operating Expenses[(2)]	\$85,262,244	\$99,713,931	\$96,435,743	\$74,535,129	\$112,965,625
Days-Cash-On-Hand[(3)]	191	558	662	1,099	1,007

(1) Consists of unrestricted cash and investments on deposit in the Revenue Fund, the Authority Facility Investment Fund, the Operations and Maintenance Reserve Fund, the Renewal and Replacement Reserve Fund, the Nashville Airports Experience (NAE) Fund, the Nashville Airports Incentive Fund and several small operating cash accounts as of June 30.
(2) Equal to total Operating Expense for the Fiscal Year.
(3) Equal to (i) Unrestricted Cash and Investments divided by (ii) Total Operating Expenses divided by 365.

Source: Metropolitan Nashville Airport Authority

In addition to the unrestricted funds and investments, the Authority had \$492,042,688 and \$615,245,048 restricted funds and investments on hand as of June 30, 2022 and 2021, respectively. Restricted cash and investments include bond proceeds held in construction funds, bond payment funds, debt reserve funds, Passenger Facility Charges and Customer Facility Charges

Fiscal Year 2023 Budget

The Authority's budgets for Fiscal Year 2023 were approved by the Board and include combined operating revenue of \$212.5 million and combined operating expenses of \$135.6 million, which totals include MPC's budget, comprised of \$3.5 million of operating revenue and \$1.4 million of operating expenses. MPC revenue and expenses are not included as Airport Revenues or as Operating Expenses, respectively, under the Senior Bond Resolution or the Subordinate Bond Resolution.

Fiscal Year 2023 budgeted operating revenue was increased \$18.5 million (9.5%) over the Fiscal Year 2022 budget. Budgeted concessions revenue was increased by \$4.1 million due to projected passenger growth and parking revenue was increased by \$5.8 million to adjust the budget to mirror the Fiscal Year 2022 actual revenue and to include the estimated impact of rate increases which took effect in August 2021 and February 2022.

Fiscal Year 2023 budgeted operating expenses increased \$20.8 million (18.1%) over the Fiscal Year 2022 budget. Budgeted salary and wages were increased by \$7.5 million primarily to implement the recommendations of a compensation study commissioned by the Authority. Budgeted contractual services increased by \$8.7 million primarily due to janitorial services, security services, parking lot and valet services operations, shuttle operations, and passenger boarding bridge and baggage handling operations required to handle the passenger growth.

The Authority cannot predict the economic climate in Fiscal Year 2023. However, the Authority has used conservative budget assumptions, including enplanements and landed weights in developing the Fiscal Year 2023 budget. This conservative approach should enable the Authority to meet or exceed the budgeted performance in Fiscal Year 2023.

Pension and Other Postemployment Benefits

The Authority is required to have actuarial estimates produced for its pension and other post-employment benefits ("OPEB") liabilities. Actuarial estimates are "forward-looking" information that reflect the judgment of the fiduciaries of the pension plans and are based upon a variety of assumptions, one or more of which may prove to be inaccurate or be changed in the future, and will change with the future experience of the pension plans. For a summary of the Authority's pension and OPEB information based on the most recent pension plan and OPEB valuations and the most recent audited basic financial statements of the Authority, see "APPENDIX B – ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY FOR THE FISCAL YEAR ENDED JUNE 30, 2022."

Insurance

The Authority maintains various insurance policies, including, but not limited to airport owners and operators liability, property liability (including a stand- alone builders' risk, business interruption coverage), airport site pollution liability, financial, executive and professional risks (including crime, cyber security, and legal, forensic/crisis management).

Airport Liability. The Authority maintains airport owners and operators liability insurance providing third party liability coverage for bodily injury and property damage arising from aviation operations at the Airport. Such policy provides up to $500 million in coverage limits with a deductible of $5,000/occurrence, and includes $1 million of auto liability coverage, $1 million of workers' compensation coverage.

Property Liability. The Authority's property insurance program which includes, among other things, business interruption, a stand-alone builder's risk coverage for certain projects, rented/leased equipment coverage, wind and hail coverage, scheduled bridges coverage. Pavements and roadways coverage have a sublimit of $1,000,000 and excludes aircraft surfaces such as runways and taxiways; while flood and earthquake coverage has a sublimit of $50,000,000. Furthermore, there is an all other perils coverage. Limits and deductibles vary under the policy, but the most the policy will pay is $1.3 billion. For its Capital Program, the Authority has an Owner's Controlled Insurance Program (OCIP). The Authority provides the general liability and builder's risk policies with various limits per project phase. The Authority requires the general contractor and its subcontractors to carry all other coverages at various limits (e.g., owner's protective professional indemnity, pollution, cyber, auto, and workers' compensation).

The Authority also maintains a separate Fine Arts policy for its art collection with a total insured value of approximately $3.2 million with a $500 deductible.

Airport Site Pollution Liability. The Authority maintains coverage for pollution claims which consists of Pollution Legal Liability coverage with an aggregate limit of $5.0 million and a deductible of $1.0 million and Contractors Pollution coverage with an aggregate limit of $5,000,000 and a self-insured retention of $25,000.

Financial, Executive and Professional Risks (FINEX). The Authority maintains a financial, executive and professional risks policy which includes, directors' and officers' liability, employment practices liability, executive risks, fiduciary liability, crime, cyber security, and legal, forensic/crisis management.

Vendors and Contractors. The Authority requires its vendors, tenants, and consultants to procure and maintain insurance such as commercial (or aviation) general liability, auto, worker's compensation, and if applicable, cyber liability, employer liability, hangerkeepers liability, professional liability, and pollution liability coverage, on all projects and consulting assignments, in amounts commensurate with the scale and complexity of the work or services. If the contract has unique characteristics, the Authority may place additional requirements. Moreover, all construction projects in excess of $20,000 are additionally secured by payment and performance bonds for the full contract value.

The Authority, at its discretion, uses an independent risk management and insurance consultant who works with the Authority's risk management and in-house counsel team in designing an insurance program which is in the best interest of the Authority, including evaluation, negotiation and recommendation of coverages and quotations. However, there is no guarantee that the same insurance coverages or policy limits will be available or obtained by the Authority in the future.

AUTHORITY CAPITAL PROGRAM

General

Between Fiscal Year 2012 and Fiscal Year 2022, annual enplanements at the Airport increased by approximately 87.8% (from approximately 4.9 million enplanements in Fiscal Year 2012 to 9.2 million in Fiscal Year 2022). In response to this growth and the expected continued growth in the Air Service Area and in enplaned passengers at the Airport (enplanements at the Airport grew to approximately 9.2 million in Fiscal Year 2022, a record for the Airport), the Authority developed a capital program (the "Authority Capital Program"), which currently consists of three components: (i) BNA Vision; (ii) New Horizon; and (iii) certain other capital projects developed as part of the Authority's on-going CIP.

In 2013, the Authority completed a 20-year master plan update for the Airport (the "2013 Master Plan") which, reflected at the time, all airfield, terminal, landside/ground access and support facility projects necessary to meet the anticipated demand for air travel over a planning horizon ending in 2031. The Authority developed a comprehensive plan from the 2013 Master Plan referred to as the "BNA Vision," which is currently composed of two phases: BNA Vision 1.0 and BNA Vision 2.0. The BNA Vision was designed to enable the Airport to accommodate the Air Service Area's population growth and meet the needs of the Airport's record breaking passenger increases. Certain projects in BNA Vision have been completed and the remaining projects are underway. All projects in BNA Vision are anticipated to be completed in 2023. BNA Vision is expected to cost approximately $1.5 billion. A portion of the proceeds of the Series 2022 Senior Bonds (approximately $393.3 million) will be used to pay a portion of the costs of projects included in BNA Vision. The Authority also expects to issue Additional Senior Bonds and/or Additional Subordinate Bonds in Fiscal Years 2024 and 2026 to finance or refinance the remaining costs of BNA Vision. For additional information regarding BNA Vision, see "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Airport Facilities and Capital Program – Authority's Capital Program – BNA Vision."

In June 2022, the Authority announced a new capital initiative known as "New Horizon." New Horizon includes additional expansion projects at the Airport to accommodate expected future demand beyond what was contemplated when BNA Vision was developed. New Horizon includes building additional gates, a new freight building, roadway improvements and baggage handling system improvements, among other projects. As of the date of this Official Statement, New Horizon has an estimated cost of approximately $1.5 billion. A portion of the proceeds of the Series 2022 Senior Bonds (approximately $127.2 million) will be used to pay a portion of the costs of projects included in New Horizon. The Authority also expects to issue Additional Senior Bonds and/or Additional Subordinate Bonds in Fiscal Years 2024 and 2026 to finance additional costs of New Horizon. For additional information regarding New Horizon, see "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Airport Facilities and Capital Program – Authority's Capital Program – New Horizon."

The Authority also plans to undertake capital projects, developed in addition to the BNA Vision and New Horizon programs, as part of the CIP. The Authority maintains an ongoing CIP to address the needs of the Airport System in conjunction with the Authority's long-term facilities plan addressed through BNA Vision and New Horizon. The CIP consists primarily of Airport System improvements, upgrades, and other repair, reconstruction, and maintenance projects while BNA Vision and New Horizon were developed to address larger capital development needs. As of the date of this Official Statement, the CIP consists of various projects to be undertaken between Fiscal Years 2023 and 2031, that have an estimated cost of approximately $358.4 million. A portion of the proceeds of the Series 2022 Senior Bonds (approximately $18.0 million) will be used to pay a portion of the costs of projects included in the CIP. Additionally, the Authority expects to issue Additional Senior Bonds and/or Additional Subordinate Bonds in Fiscal Years 2024 and 2026 to finance approximately $98.0 million and $55.1 million, respectively, of the costs of projects in the CIP. For additional information regarding the CIP, see "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Airport Facilities and Capital Program – Authority's Capital Program – Other Authority Capital Improvement Plan Projects."

The Authority Capital Program is subject to frequent review and modification based on expected funding priorities of the Airport System. As a result of the rapid growth in passenger traffic which the Airport has been experiencing, the Authority will continue to actively assess and manage its capital needs to determine any necessary modifications to the Authority Capital Program as necessary to accommodate evolving priorities with respect to demand-driven traffic activity, operational needs of the Airport, and other factors, which could result in increases or decreases to the costs of the Authority Capital Program, or extend or accelerate the timing to complete certain elements of the Authority Capital Program. Any revisions to the Authority Capital Program will reflect a careful balancing by the Authority of imperatives related to accommodating evolving priorities with respect to demand-driven traffic activity, operational needs of the Airport, and sound financial management of the Authority's available revenues and debt capacity.

Implementation of Authority Capital Program

The Authority uses a variety of strategies to mitigate risk associated with the implementation of the elements within the Authority Capital Program. From an overall management perspective, the Authority has weekly BNA Vision meetings with representatives from all departments to discuss the status, timing, potential issues, etc. associated with each BNA Vision project in order to ensure proper communication is occurring throughout the Authority. The Development & Engineering Department prepares a monthly "BNA Vision Detailed Report" and "BNA Vision Board Report" for the Board and other staff which provides budget to actual information, cash flow projections, description of projects, and summarizes potential issues. Thus far, the Authority has managed the construction well with minimal impact to passengers and the Airlines. In addition, the Authority holds quarterly meetings with the Airline Tech Committee to discuss the BNA Vision and keep the Airlines apprised of the status of construction and work through any issues in advance. The Authority also uses social media heavily to keep the passengers updated.

As of October 1, 2022, $1.3 billion of the approximately $1.5 billion total BNA Vision budget (87% of the total budget) is under contract. All such contracts are design/build and subject to Guaranteed

Maximum Price which mitigates the risk of cost escalation. The Authority has developed a number of approaches to anticipate and mitigate construction cost escalation, including a variety of contingencies. As of October 1, 2022, on a programmatic level, of the total budget of approximately $1.5 billion for BNA Vision, $50.5 million (3.3% of total budget) is included as a program contingency, of which $27.6 million remains. At an individual project level, the Authority maintains individual owner contingencies for each project in BNA Vision with total budgeted owner reserves of $135 million (or 8.8% of total budget), of which $14.1 million remains. The Authority also maintains contractor contingencies for BNA Vision which gets assigned as each part of a project is placed under contract; currently, the Authority has $39.9 million in contractor contingency available. For each individual project included in BNA Vision, approximately 2.7% of the cost of each such project is allocated to contingency costs combined.

As of October 1, 2022, $37.5 million of the approximately $1.5 billion total New Horizon budget (2.5% of the total budget) is under contract. The Authority expects that all of the contracts for New Horizon will be design/build and subject to Guaranteed Maximum Price. The Authority has developed, and will continue to develop, a number of approaches to anticipate and mitigate construction cost escalation, including a variety of contingencies. As of October 1, 2022, the Authority maintains individual owner contingencies for each project in New Horizon with total budgeted owner reserves of $117.6 million (or 8.0% of the total budget), of which $117.6 million remains. The Authority also will maintain contractor contingencies for New Horizon which will be assigned as each part of a project is placed under contract. For each individual project included in New Horizon, approximately 20% of the cost of each such project is expected to be allocated to contingency and escalation costs combined.

The completion of various projects could be delayed, or the cost of completing certain projects included in the Authority Capital Program could be higher than expected due to various factors. See "CERTAIN INVESTMENT CONSIDERATIONS – Capacity of the Airport; Cost and Schedule of Authority Capital Program."

Anticipated Funding Sources for Authority Capital Program

Most of the costs of the Authority Capital Program are expected to be funded with remaining proceeds of the Existing Subordinate Bonds, draws under the Note Purchase Agreement, proceeds of the Series 2022 Senior Bonds and proceeds of Additional Senior Bonds and/or Additional Subordinate Bonds. The Authority Capital Program is estimated to cost approximately $3.4 billion, of which approximately $1.0 billion is anticipated to be funded with proceeds of the Series 2015 Senior Bonds and the Existing Subordinate Bonds, approximately $538.5 million is anticipated to be funded with proceeds of the Series 2022 Senior Bonds, approximately $1.5 billion is anticipated to be funded with proceeds of Additional Senior Bonds and/or Additional Subordinate Bonds, approximately $63.4 million is anticipated to be funded with federal and state grants (including approximately $17.9 million the Authority expects to receive under the federal Bipartisan Infrastructure Law (BIL)), approximately $6.5 million is anticipated to be funded with CFCs and approximately $244.4 million is anticipated to be funded with available Authority funds. For additional information on estimated project costs of the Authority Capital Program and anticipated funding sources, which includes proceeds of the Series 2022 Senior Bonds and the Anticipated Future Bonds, see "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Airport Facilities and Capital Program – Authority Capital Program Plan of Finance." The Authority has used and will continue to use interim financing capacity available through the Note Purchase Agreement for projects currently underway.

REPORT OF THE AIRPORT CONSULTANT AND RATE COVENANT FORECAST

General

The Authority has retained Landrum & Brown, Incorporated, which is recognized as an expert in its field, to prepare the Report of the Airport Consultant in connection with the issuance of the Series 2022 Senior Bonds. The Report of the Airport Consultant is included as Appendix A hereto, with the Airport Consultant's consent. The information regarding the analyses and conclusions contained in the Report of the Airport Consultant is included in the Official Statement in reliance upon the expertise of the Airport Consultant.

The Report of the Airport Consultant should be read in its entirety regarding all of the assumptions used to prepare the forecasts made therein. No assurances can be given that these or any of the other assumptions contained in the Report of the Airport Consultant will occur. As noted in the Report of the Airport Consultant, any forecast is subject to uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecast and actual results, and those differences may be material. See also "INTRODUCTION – Forward-Looking Statements," and "CERTAIN INVESTMENT CONSIDERATIONS – Assumptions in the Report of the Airport Consultant."

The Report of the Airport Consultant provides, among other things, a summary of the funding plan for the Authority Capital Program, analyses of historical airline service and passenger traffic, analyses of historical Authority revenues and expenses, and financial forecasts demonstrating the sufficiency of Net Revenues to meet the funding requirements and obligations established by the Senior Bond Resolution and the Subordinate Bond Resolution during the Forecast Period. For additional information on historical and forecast revenues of the Authority and the various underlying assumptions incorporated into the Report of the Airport Consultant, see "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT."

The Airport Consultant developed forecasts of air traffic activity based on an analysis of the underlying economic conditions of the Air Service Area, airline traffic trends, and an assessment of Southwest's continued focus on the region. In general, the Airport Consultant assumed that in the long-term, growth in O&D passenger traffic at the Airport will occur as a function of growth in population and the economy of the Air Service Area and made certain other assumptions regarding the Authority's rate making methodology after the expiration of the term of the Existing Signatory Passenger Airline Agreements. See "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Financial Framework and Analysis – Negotiation of New Signatory Passenger Airlines Agreements – Financial Forecasts After Expiration of Existing Signatory Passenger Airline Agreements" for a discussion of the assumptions that were incorporated into the long-term forecast with respect to the Proposed Signatory Passenger Airline Agreement.

Many of the factors that may affect air travel demand are not necessarily quantifiable. As a result, all forecasts of aviation activity are subject to various uncertainties. Therefore, the forecasts developed by the Airport Consultant, as with any forecasts, should be viewed as a general indication of future aviation activity as opposed to a precise prediction. Actual future traffic may vary from these forecasts and such variances could be material. See "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT."

Forecast Debt Service Coverage and Cost Per Enplaned Passenger

The following table, which has been extracted from the Report of the Airport Consultant, presents forecasted Net Revenues, senior net debt service, senior debt service coverage ratios, subordinate net debt service, the combined senior and subordinate debt service coverage ratios and airline CPE during the Forecast Period. The forecast indicates compliance with the rate covenants under the Senior Bond Resolution and the Subordinate Bond Resolution for each Fiscal Year of the Forecast Period. Additionally, in the Report of the Airport Consultant, the Airport Consultant concludes that the airline CPE throughout the Forecast Period appears within reasonable levels of affordability for the airlines and is comparable to other major airports undergoing major capital programs.

The forecasted financial information in the following table was not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to forecasted financial information, but, in the view of the Authority's management, was prepared on a reasonable basis, to reflect the best currently available estimates and judgments and present, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of the Authority. However, this information is not fact and should not be relied upon as necessarily indicative of future results, and readers of this Official Statement are cautioned not to place undue reliance on the forecasted financial information.

Neither the Authority's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the forecasted financial information contained herein, nor have they expressed any opinion or any form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the forecasted financial information.

The assumptions and estimates underlying the forecasted financial information are inherently uncertain and, though considered reasonable by the management of the Authority as of the date of this Official Statement, are subject to a wide variety of significant business, economic, and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the forecasted financial information, including, among others, the risks and uncertainties described under "CERTAIN INVESTMENT CONSIDERATIONS" below. Accordingly, there can be no assurance that the forecasted results are indicative of the future performance of the Authority or the Airport or that actual results will not be materially higher or lower than those contained in the forecasted financial information. Inclusion of the forecasted financial information in this Official Statement should not be regarded as a representation by any person that the results contained in the forecasted financial information will be achieved.

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Budgeted and Forecasted Debt Service Coverage and Airline Cost Per Enplanement
(Dollars in thousands, except Airline CPE)

Fiscal Year	Net Revenues[3]	Senior Net Debt Service[4]	Senior Debt Service Coverage Ratio[5]	Subordinate Net Debt Service[6]	Senior and Subordinate Debt Service Coverage Ratio[5]	Airline CPE
2023[1]	$ 84,312	$ 16,143	5.47x	$27,870	2.02x	$ 6.74
2024[2]	132,598	21,249	6.49	25,357	2.95	10.43
2025[2]	149,178	32,104	4.90	28,574	2.56	11.45
2026[2]	186,917	65,868	3.09	28,583	2.08	14.39
2027[2]	190,824	70,229	2.97	28,577	2.03	14.43
2028[2]	197,827	74,599	2.90	28,575	2.02	14.89
2029[2]	248,391	132,247	2.13	28,570	1.64	19.26
2030[2]	286,376	187,738	1.78	28,580	1.42	22.12
2031[2]	279,491	186,816	1.75	28,570	1.40	21.30

(1) Authority's Fiscal Year 2023 Budget.

(2) Forecasts by the Airport Consultant.

(3) Assumes that upon expiration of the Existing Signatory Passenger Airline Agreements on June 30, 2023, the Signatory Airlines will be subject to the terms and provisions expected to be included in the Proposed Signatory Passenger Airline Agreements (as set forth in the Proposed Signatory Passenger Airline Agreement MOU). See "SIGNATORY PASSENGER AIRLINE AGREEMENTS AND CERTAIN NON-AIRLINE AGREEMENTS – Existing and Proposed Signatory Passenger Airline Agreements," "CERTAIN INVESTMENT CONSIDERATIONS – Failure to Execute a New Signatory Passenger Airline Agreement" and "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Financial Framework and Analysis – Sensitivity Analysis."

(4) Includes debt service on the Series 2003B Senior Bonds, the Series 2015A Senior Bonds, the Series 2015B Senior Bonds, the Series 2022 Senior Bonds, the Additional Senior Bonds assumed to be issued in Fiscal Year 2024 in an aggregate principal amount of approximately $881.5 million, and the Additional Senior Bonds assumed to be issued in Fiscal Year 2026 in an aggregate principal amount of approximately $1.0 billion. For purposes of the table only: (a) the Series 2022A Senior Bonds are assumed to be issued in the aggregate principal amount of $87.8 million and bear interest at interest rates between 5.00% and 6.00%; (b) the Series 2022B Senior Bonds are assumed to be issued in the aggregate principal amount of $547.0 million and bear interest at interest rates between 5.00% and 6.00%; (c) the Additional Senior Bonds expected to be issued in Fiscal Year 2024 are assumed to be issued in the aggregate principal amount of $909.1 million and bear interest at an interest rate of 6.00%; and (d) the Additional Senior Bonds expected to be issued in Fiscal Year 2026 are assumed to be issued in the aggregate principal amount of $1.0 billion and bear interest at an interest rate of 6.00%. The Senior Net Debt Service numbers exclude the debt service on Senior Bonds which the Authority expects to pay with capitalized interest, PFCs and ARPA Funds.

(5) Includes amounts available for transfer from the Nashville Airports Experience (NAE) Fund.

(6) Includes debt service on the Existing Subordinate Bonds (the Series 2019 Subordinate Bonds). Does not include any debt service obligations on the amounts due under the Note Purchase Agreement. The Subordinate Net Debt Service numbers exclude the debt service on the Existing Subordinate Bonds which the Authority expects to pay with capitalized interest, PFCs and ARPA Funds.

Source: Report of the Airport Consultant.

AUTHORITY ENVIRONMENTAL, SOCIAL AND GOVERNANCE EFFORTS

Environmental and Sustainability Factors

General Environmental. The Authority and the Airport are subject to numerous federal, state and local laws and regulations with respect to environmental matters, including, among others, the National Environmental Policy Act (NEPA), the Clean Air Act and the Clean Water Act. These laws and regulations govern, among other things: air quality; fish, wildlife and plants; floodplains; hazardous materials, pollution prevention and solid waste; historical, architectural, archaeological and cultural; natural resources, energy supply and sustainable design; noise; water quality; and wetlands. The Authority is in material compliance with all applicable environmental rules and regulations. See also "CERTAIN INVESTMENT CONSIDERATIONS – Regulations and Restrictions Affecting the Airport" and "– Climate Change Issues and Possible New Regulations."

Sustainability. The Authority has a longstanding commitment to sustainability and, over the years, has incorporated a variety of "green" strategies into the design, construction and operations of the Airport. From energy efficiency to water conservation, waste reduction and recycling, measures for reducing fossil fuel use and greenhouse gases and more, sustainability takes many forms at the Airport. The Authority's Sustainability Mission Statement is: To sustain the heartbeat of the Mid-South by cherishing its resources to ensure Music City keeps flying high. In 2010, the Authority was selected as one of 10 airports in the US to participate in the FAA's Sustainable Master Plan Pilot Program. The FAA selected the Authority for the program because of its leadership in implementing sustainability initiatives, such as projects that promote water conservation, energy efficiency, social well-being, and community involvement.

As a result of the FAA's selection, the Authority commissioned a 2012 Sustainability Study for the Airport, which was updated in 2017 (collectively, the "Sustainability Study"). As described in the Sustainability Study, the Authority's sustainability goals for the Airport include: (i) enhance the economic vitality of the Airport; (ii) ensure proper investment in the safety, security and development of the people working and using the Airport to enhance work/passenger/visitor experience; (iii) develop and maintain facilities and infrastructure at the Airport to support long-term efficient flexible growth; (iv) enhance the Nashville community; (v) protect the valuable natural resources in and around the Airport; (vi) minimize use and reliance on traditional energy sources to promote cost savings and environmental stewardship; and (vii) enhance surface transportation connectivity with the Airport's service area. The Authority has incorporated its sustainability goals into the design, construction and improvement in the projects included in the BNA Vision and New Horizon.

Following is a description of certain projects undertaken and completed at the Airport since 2016 that focus and meet the Authority's sustainability goals set forth in the Sustainability Study.

Geothermal Lake Plate Cooling System. Completed in 2016, the Authority's geothermal lake plate cooling system takes advantage of 1.5 billion gallons of naturally-cool water in a former rock quarry and circulates it through a closed looped piping system to the Airport's terminal central utility plant. Waste heat is dissipated through heat exchangers submerged within the quarry. The system provides cooling for the entire 900,000-sq. ft. terminal. The project reduces electricity usage by 6,000 kilowatts of peak demand and results in annual savings of 1.3 million kilowatt-hours and 30 million gallons of potable water, and an estimated $430,000 in savings each year.

Compressed Natural Gas Vehicles. In 2017, the Authority introduced a new fleet of 28 environmentally friendly parking shuttle buses at the Airport. The new buses, which transport travelers between the parking lots at the Airport and the terminal, are fueled by clean-burning compressed natural gas ("CNG"). The conversion from diesel fuel to cleaner burning CNG across the Airport's shuttle bus fleet is anticipated to reduce the bus fleet's greenhouse gas emissions by approximately 14%.

The Authority also is currently in the process of transitioning other vehicles to CNG-fuel. In January 2024, the Authority expects that 22 new CNG shuttle vehicles will begin service at the Airport, that will be provide landside shuttle bus service for the public parking lots and the employee parking lots.

Terminal Garage 2. The Terminal Garage 2 opened in December 2018 and received Parksmart's Bronze certification; the first in Tennessee to earn this distinction for sustainable design, construction and operation. Additionally, the Terminal Garage 2 received the International Parking & Mobility Institute's 2020 Excellence in Sustainable Design Award. The Terminal Garage 2 includes 2,200 covered parking spaces convenient to the terminal, a new Ground Transportation Center and a variety of sustainable components including energy efficient, programmable lighting, real-time space count signs, a dynamic parking guidance system, electric vehicle charging stations (19 stations), a tire inflation station, pay-on-foot kiosks, a green-screen vegetation wall, a 50,000-gallon cistern for rainwater harvesting and landscape irrigation, durable design and more.

"Parksmart" is the world's only rating system designed to advance sustainable mobility through smarter parking structure design and operation. Developed by industry experts, the Parksmart framework guides projects toward innovative, solutions-oriented strategies. Parksmart offers a lifetime of returns for parking structures through reduced operational costs, increased energy efficiency, and better lighting and ventilation. Parksmart complements the U.S. Green Building Council's ("USGBC") Leadership in Energy and Environmental Design ("LEED") certifications (described below under "Concourse D") and other certifications and is administered by Green Business Certification, Inc.

Terminal Garage 1. The Terminal Garage 1 opened in June 2020 and also received Parksmart's Silver certification. As of the date of this Official Statement, the Airport is home to two of only a very limited number of Parksmart certified parking structures in the world. The new Terminal Garage 1 includes 2,600 covered parking spaces convenient to the terminal, a new and improved valet center and a variety of sustainable components including energy efficient, programmable lighting, real-time space count signs, a dynamic parking guidance system, electric vehicle charging stations (26 stations), a tire inflation station, pay-on-foot kiosks, a 50,000-gallon cistern for rainwater harvesting and landscape irrigation, durable design and more.

Concourse D. Concourse D opened in July 2020 and earned USGBC's LEED Silver certification. The 115,000-square-foot concourse features six domestic aircraft gates and a variety of sustainable features including energy efficient, programmable lighting, water-conserving restroom facilities, electrochromic glass, a modernized central utility plant for heating and cooling the terminal, recycling receptacles, architectural design that provides natural light and compelling views, public art installations that enhance the passenger experience and more.

USGBC's LEED certification is the most widely used green building rating system in the world. Available for virtually all building types, LEED provides a framework for healthy, highly efficient, and cost-saving green buildings.

Authority Administrative Building. The Authority's new Administration Building opened in November 2020 and has earned USGBC's LEED Gold certification. Built atop the Airport's Terminal Garage 1, the 64,000-square-foot Administrative Building features energy efficient, programmable lighting, water-conserving restroom facilities, electrochromic glass, recycling receptacles, architectural design that provides natural light and compelling views and more.

Concourse A Ramp Expansion. The Authority stockpiles free material from offsite construction projects for use as part of projects at the Airport. For example, in connection with the Concourse A ramp expansion project, the Authority has used approximately 500,000 cubic yards of stockpiled soil/rock mixed material as fill.

Concourse D Extension. The Concourse D Extension is currently being designed. The Concourse D Extension is being designed to meet USGBC's LEED certification.

Electric Shuttle Buses (Satellite Concourse). When opened (expected in Fiscal Year 2024), the Authority expects to transport passengers and employees between the main terminal building and the Satellite Concourse via nine electric shuttle buses.

Satellite Concourse. The new Satellite Concourse will incorporate sustainable principles, as appropriate, into its design. Certain of the sustainable principles to be incorporated into the design of the

Satellite Concourse will include, among others, low flow water closet fixtures, energy efficient LED lighting, and the electric shuttle buses to transport passengers and employees to and from the Satellite Concourse to reduce the carbon footprint of the facility and its operation.

Social Factors

General. The Authority has historically been focused on diversity and inclusiveness for all contractors hired by the Authority and concessionaires and other businesses operating at the Airport. The Authority is committed to providing contracting opportunities for small, minority, woman-owned business enterprises, as well as disadvantaged business enterprises and Airport concessions disadvantaged business enterprises. In recent years, the Authority has been recognized as a leader in diversity and inclusiveness programs. Most recently, in June 2022, the Authority was recognized by ACI as the "2022 Inclusion Champion" for medium-hub airports.

The Office of Business Diversity Development ("BDD") administers the Authority's economic inclusion programs and services. The primary responsibilities of BDD include:

- Certifying firms for the Authority's Small, Minority, Woman-owned Business Enterprises ("SMWBE"), Disadvantaged Business Enterprise ("DBE") and Airport Concessions Disadvantaged Business Enterprise ("ACDBE") programs

- Reviewing and setting diversity goals and participation levels for all Authority projects and contracts

- Conducting outreach efforts and notifying program participants of contracting opportunities

- Monitoring and enforcing compliance on locally and federally funded contracts with diversity goals and participation levels

- Providing training and technical assistance to prime contractors and subcontractors

- Reviewing diversity workforce development initiatives of prime contractors and subcontractors

Small, Minority, Woman-owned Business Enterprises Program. Established in 2002, the SMWBE program provides maximum opportunities for local, small, minority and women-owned business enterprises to participate in contracts, programs and all related business activities funded by the Authority. The SMWBE program is the Authority's local program and is applicable to all Authority-funded procurements. The Authority certifies firms as small, minority or women-owned business enterprises throughout the State and not just in the Nashville MSA. Through the SMWBE program, BDD is charged with:

- Promoting, encouraging and facilitating the participation of local SMWBEs in all aspects of the Authority's procurement activities.

- Providing maximum opportunities for SMWBEs to fully participate in contracts, programs and all related business activities at the Airport.

- Establishing goals, policies and implementing operational procedures to ensure the objectives of the program are met.

Disadvantaged Business Enterprise Program. The DBE program is mandated by United States Department of Transportation ("U.S. DOT") and is applicable to the Authority's federally-funded contracting program. BDD provides the following services with respect to the DBE program:

- Serves as a liaison for prime contractors and DBEs in an effort to provide contracting opportunities to firms historically underutilized in their areas of specialty.

- Serves as the liaison between DBEs and Authority staff.

- Serves as a networking resource for DBEs and other governmental agencies.

- Assists firms in obtaining DBE certifications.

- Manages the DBE and ACDBE programs for the Authority.

- Provides referrals to other certifying agencies.

- Provides referrals to Small Business Administration and other governmental agencies for business loan(s), bonding advice, etc.

- Monitors the DBE and ACDBE compliance on federally funded contracts.

Between Fiscal Years 2018 and 2022, the Authority spent approximately $1.4 billion in construction, professional services and goods and services contracts, with approximately $253 million of those contracts being awarded to SMWBE and DBE firms.

Workforce Training. The Authority actively supports the Nashville Promise Zone initiative and its goal of providing job opportunities for residents of six federally designated "Promise Zones." The mission of the Nashville Promise Zone is to foster intensive partnerships among Nashville's organizations that serve high poverty neighborhoods, improve the collective impact of their service and address revitalization in a collaborative way. By working closely with partners such as the Urban League of Middle Tennessee, Empower the Journey, 4:13 Strong, Goodwill and others, the Authority provides on-site training and employment opportunities for these Promise Zone workers. BNA Vision projects include a local workforce that ranges from 59%-86% of the overall project.

Another innovative initiative designed to advance the workforce is the Authority's Maintenance Apprenticeship Program, which is a partnership with the Tennessee College of Applied Technology to provide classroom training, employment and on-the-job training in skilled trades.

Community Involvement. The Authority is a member of local civic and business organizations that connect, empower and advocate. Some examples include the Nashville Black Chamber of Commerce, Urban League of Tennessee, Tennessee Latin American Chamber of Commerce, Nashville Area Hispanic Chamber of Commerce, the Nashville LGBT Chamber and the Airport Minority Advisory Council.

Authority Governance

See "THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY – Board of Commissioners" and "– Administration" above for a discussion of the governance of the Authority.

Employee Matters

The Authority strives to be a diverse, equitable and inclusive employer and a reflection of the community it serves. The Authority works toward its goals of inclusion by working together with partners and programs to make sure everyone's voice is represented and heard. The Board's Diversity and Workforce Committee is focused on evaluating and providing guidance to staff's diversity and inclusion initiatives. The Authority is a member and supporter of the Nashville LGBT Chamber, Nashville Area Hispanic Chamber of Commerce, Tennessee Latin American Chamber of Commerce, Nashville Black Chamber of Commerce, and Airport Minority Advisory Council.

CERTAIN INVESTMENT CONSIDERATIONS

The purchase and ownership of the Series 2022 Senior Bonds involve investment risk and may not be suitable for all investors. The factors set forth below, among others, may affect the security of the Series 2022 Senior Bonds. Prospective investors are urged to read this Official Statement, including its appendices, in its entirety. The factors set forth in this Official Statement, among others, may affect the security for and/or trading value of the Series 2022 Senior Bonds. The information contained in this Official Statement relates solely to the Series 2022 Senior Bonds and speaks only as of the date of this Official Statement. The information in this Official Statement does not purport to be a comprehensive or complete discussion of all risks or other considerations that may be relevant to an investment in the Series 2022 Senior Bonds. Other factors may exist which may be material to investors based on their respective individual characteristics. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such considerations. Additional risk factors relating to the purchase of Series 2022 Senior Bonds are described throughout this Official Statement, whether or not specifically designated as risk factors. Additional risks and uncertainties not presently known, or currently believed to be immaterial, may also materially and adversely affect, among other things, Net Revenues or individual investors. In addition, although the various risks discussed in this Official Statement are generally described separately, prospective investors of the Series 2022 Senior Bonds should consider the potential effects of the interplay of multiple risk factors. Where more than one significant risk factor is present, the risk of loss to an investor may be significantly increased. There can be no assurance that other risks or considerations not discussed in this Official Statement are or will not become material in the future. See also "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Air Service and Traffic Analysis – Key Factors Affecting Air Traffic Demand."

Series 2022 Senior Bonds are Special Limited Obligations

The Series 2022 Senior Bonds are special limited obligations of the Authority equally and ratably secured by a pledge of and lien on the Net Revenues. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 SENIOR BONDS – Pledge of Net Revenues," "OUTSTANDING AUTHORITY OBLIGATIONS – Existing Senior Bonds" and "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION."

THE SERIES 2022 SENIOR BONDS SHALL NOT IN ANY MANNER OR TO ANY EXTENT CONSTITUTE OR BE A CHARGE UPON ANY MONEYS OR PROPERTY OF THE AUTHORITY NOT SPECIFICALLY PLEDGED THERETO UNDER THE SENIOR BOND RESOLUTION, OR CONSTITUTE OR BE AN OBLIGATION OF THE METROPOLITAN GOVERNMENT OR OF ANY MUNICIPALITY OR POLITICAL SUBDIVISION OF THE STATE OTHER THAN THE AUTHORITY AND SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE OWNERS OF THE SERIES 2022 SENIOR BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF ANY FUNDS RAISED OR

TO BE RAISED BY TAXATION OR OUT OF ANY FUNDS OR RESOURCES OTHER THAN NET REVENUES. THE AUTHORITY HAS NO TAXING POWER.

COVID-19 Pandemic and Related Matters

The COVID-19 pandemic and resulting restrictions on human activities have severely disrupted, and continue to disrupt the economies of the United States and other countries. The COVID-19 pandemic has and may continue to have a material adverse effect on the demand for passenger air travel, although recovery in air travel volume has occurred over the last year. The length of the COVID-19 pandemic itself will likely depend on the speed and effectiveness of the various COVID-19 Vaccine roll-outs in the United States and abroad and their ability to protect against new variants of the virus, a number of which have emerged. An additional consideration is the general public's perception of the efficacy of the COVID-19 Vaccines and the public's willingness to receive a COVID-19 Vaccine. The longer the COVID-19 pandemic persists, the greater the ultimate effect is likely to be on the airline industry.

In addition, the continuing impacts of the COVID-19 pandemic have resulted in operational difficulties for certain airlines as they increase capacity to meet demand. In some cases, this has resulted in higher flight cancellation rates and reductions in previously planned additions of scheduled capacity. These difficulties have resulted from a variety of factors, including, but not limited to, delays in re-hiring or hiring sufficient personnel as a result of generally prevailing labor shortages, increased customer service demands due to ongoing changes in ticketing rules and information technology disruptions.

The Authority cannot predict the outcome of many factors that can materially adversely affect its finances or operations, including but not limited to: (a) the duration or extent of the COVID-19 pandemic or another outbreak or pandemic or force majeure event; (b) restrictions or warnings related to air travel, gatherings or any other activities; (c) what effect any COVID-19 pandemic-related or another outbreak- or pandemic-related restrictions or warning may have on air travel, including to and from the Airport, the retail and services provided by the Airport concessionaires, Airport costs or Airport Revenues; (d) whether and to what extent the COVID-19 pandemic or another outbreak or pandemic may disrupt the local, State, national or global economy, manufacturing or supply chain, or whether any such disruption may adversely impact Authority-related construction or other Authority operations; (e) the extent to which the COVID-19 pandemic or another outbreak or pandemic, or the resultant disruption to the local, State, national or global economies, may result in changes in demand for air travel, including long-term changes in consumer behavior (including a permanent reduction in business travel brought about by the accelerated adoption of technology for virtual meetings and conferences) and the operations of other businesses, or may have an impact on the airlines or concessionaires serving the Airport or the airline and travel industry, generally; (f) whether or to what extent the Authority may provide additional deferrals, forbearances, adjustments or other changes to the Authority's arrangements with airline tenants and Airport concessionaires; or (g) whether any of the foregoing may have a material adverse effect on the finances and operations of the Authority. Prospective investors should assume that certain restrictions and limitations related to the COVID-19 pandemic may be reinstituted and that full recovery of air travel may be prolonged, causing an adverse impact on Authority revenues. Future outbreaks, pandemics or events outside the Authority's control may further reduce demand for air travel, which in turn could cause a decrease in passenger activity at the Airport and declines in Authority revenues. See "COVID-19 PANDEMIC ISSUES AND IMPACTS."

Factors Affecting the Airline Industry

General. Key factors that affect airline traffic at the Airport and the financial condition of the airlines, and, therefore, the amount of Net Revenues available for payment of the Series 2022 Senior Bonds, include: local, regional, national and international economic and political conditions; international hostilities; world health concerns; aviation security concerns; accidents involving commercial passenger aircraft; changes in law, local, State and federal regulations and the application thereof; airline service and routes; airline airfares and competition; airline industry economics, including labor relations and costs; availability and price of aviation fuel (including the ability of airlines to hedge fuel costs); regional, national and international environmental regulations; airline consolidation and mergers; capacity of the national air traffic control and airport systems; capacity of the Airport and competition from other airports for connecting traffic; and business travel substitutes, including teleconferencing, videoconferencing and web-casting.

The airline industry is highly cyclical and is characterized by intense competition, high operating and capital costs and varying demand. Passenger and cargo volumes are highly sensitive to general and localized economic trends, and passenger traffic varies substantially with seasonal travel patterns. The profitability of the airline industry can fluctuate dramatically from quarter to quarter and from year to year, even in the absence of catastrophic events such as the terrorist attacks of September 11, 2001, the economic recession that occurred between 2008 and 2009 and the ongoing COVID-19 pandemic. Other business decisions by airlines, such as the reduction, or elimination, of service to unprofitable markets, increasing the use of smaller, regional jets and changing hubbing strategies have also affected air traffic at the Airport and could have a more pronounced effect in the future.

In addition to revenues received from the airlines, the Authority derives a substantial portion of its revenues from concessionaires including parking operations, food and beverage concessions, retail concessions, car rental companies, and others. See “SIGNATORY PASSENGER AIRLINE AGREEMENTS AND CERTAIN NON-AIRLINE AGREEMENTS” and “INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES.” Declines in passenger traffic at the Airport may adversely affect the commercial operations of many of these concessionaires. While the Authority’s agreements with concessionaires require the concessionaires to pay a minimum annual guarantee, severe financial difficulties could lead to a failure by a concessionaire to make the required payments or could lead to the cessation of operations of such concessionaire.

Many of these factors are outside the Authority’s control. Changes in demand, decreases in aviation activity and their potential effect on enplaned passenger traffic at the Airport may result in reduced Airport Revenues and PFCs. Following are just a few of the factors affecting the airline industry including, regional and national economic conditions, threats of terrorism, costs of aviation fuel, and airline concentration. See also “– Aviation Security” below for additional discussion on the costs of security.

Economic Conditions. Historically, the financial performance of the air transportation industry has correlated with the state of the national and global economies generally, and consumer income and business profits in particular. The long-term implications of recent economic, public health and political conditions are unclear. A lack of sustainable economic growth or unexpected events could negatively affect, among other things, financial markets, commercial activity and consumer spending.

The current United States GDP growth is positive, though may be contingent on the economy’s continued reopening and abatement of the COVID-19 pandemic. However, concerns about future higher inflation and lower employment growth are reflected in declining business confidence. Decreases in face-to-face meetings and conferences with suppliers, customers and partners of many employers across a variety of sectors have also decreased the demand for airline business travel within the Nashville MSA.

Increases in inflation can have a negative impact on passenger traffic if inflation increases at a faster rate than income. The consumer price index (“CPI”) is a measure of the average change over time in the prices paid by urban consumers for consumer goods and services. Consumer prices began to increase in April 2021 as the country continued to recover from the recession associated with the COVID-19 pandemic, driven in large part by rising fuel and food prices. Global supply chain issues also contributed to increases to the CPI. The average cost of goods and services began to climb at an accelerated rate beginning in June 2021 with items like fuel, food and housing being directly impacted. In June 2022, the CPI increased 9.1% over June 2021. Inflation has reach historically high levels that have not been experienced for approximately 40 years.

See also "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Air Service and Traffic Analysis – Key Factors Affecting Air Traffic Demand – Economic Conditions and Events."

Threats of Terrorism. Terrorist attacks and threats of terrorism have had, and may continue to have, a negative impact on air travel. The Authority cannot predict the likelihood of future incidents similar to the terrorist attacks of September 11, 2001 or the terrorist attacks that occurred in Nice, Munich, Paris, Brussels and Istanbul in 2015 and 2016, the likelihood of future air transportation disruptions or the impact on the Authority or the airlines operating at the Airport from such incidents or disruptions.

Cost of Aviation Fuel. Airline earnings are significantly affected by changes in the price of aviation fuel. According to Airlines for America, fuel, along with labor costs, is one of the largest cost components of airline operations, and continues to be an important and uncertain determinate of an air carrier's operating economics. There has been no shortage of aviation fuel since the "fuel crisis" of 1974, but any increase in fuel prices causes an increase in airline operating costs. Fuel prices continue to be susceptible to, among other factors, political unrest in various parts of the world, including the war between Ukraine and Russia and, historically, in the oil-producing nations in the Middle East and North Africa, Organization of Petroleum Exporting Countries policy, the growth of economies around the world, the levels of inventory carried by industries, the amounts of reserves maintained by governments, disruptions to production and refining facilities and weather. The price of aviation fuel rose to an all-time high of approximately $4.03 per gallon in June 2022. According to the U.S. Bureau of Transportation Statistics, the price of aviation fuel averaged approximately $3.39 per gallon during the first nine months of 2022. For comparison purposes, according to the U.S. Bureau of Transportation Statistics, between 2017 and 2021, the price of aviation fuel averaged approximately $1.90 per gallon per year. Significant and prolonged increases in the cost of aviation fuel are likely to have an adverse impact on air transportation industry profitability and hamper the recovery plans and cost-cutting efforts of certain airlines.

Airline Concentration; Effect of Airline Industry Consolidation. The airline industry continues to evolve as a result of competition and changing demand patterns and it is possible the airlines serving the Airport could consolidate operations through acquisition, merger, alliances and code share sales strategies. Examples of airlines mergers occurring over the last several years include: (a) in 2008, Delta acquired Northwest and its affiliated Air Carriers, Mesaba, Pinnacle (now known as Endeavor) and Compass Airlines; (b) on October 1, 2010, United Airlines and Continental Airlines merged and United Airlines and Continental Airlines began operating as a single airline (under the United brand) in March 2012; (c) on May 2, 2011, Southwest acquired Air Tran, and Southwest and Air Tran began operating as a single airline (under the Southwest brand) in March 2012; (d) on December 9, 2013, AMR Corporation, along with its subsidiaries American Airlines and American Eagle, merged with US Airways Group, Inc., and American and US Airways began operating as a single airline (under the American brand) in October 2015; (e) in December 2016, Alaska Air Group acquired Virgin America; and (f) in July 2022, JetBlue Airways agreed to acquire Spirit Airlines. To date none of these mergers have had any material impact on airline service or enplanements at the Airport. While these prior mergers have not had any material impact on airline service or enplanements at the Airport or on Airport Revenues, future mergers or alliances among airlines operating at the Airport may result in fewer flights or decreases in gate utilization by one or more airlines. Such decreases could result in reduced Airport Revenues, reduced PFC collections and/or increased costs for the other airlines serving the Airport.

Industry Workforce Shortages. Workforce and labor shortages are an aviation industry-wide issue. For example, a shortage in pilots have especially affected smaller regional airlines. There are several causes for such shortage. Congress changed duty time rules in 2010 to mitigate pilot fatigue, which required airlines to increase pilot staff. Beginning in 2013, first officers flying for commercial airlines were required to have at least 1,500 hours of flight time, instead of the 250 hours previously required. Additionally, at the onset of the COVID-19 pandemic, airlines were faced with a surplus of personnel resulting from the sudden and dramatic decline in traffic. As a result, airlines offered their employees buyouts and early retirement packages and, according to certain media reports, approximately 10% of pilots took early retirement. Other factors include an aging pilot workforce and fewer new pilots coming out of the military. Further, as passenger demand increases as air traffic demand returns, the major air carriers are anticipated to need additional pilots, and are generally able to hire pilots away from regional airlines. As a result, small regional airlines have a particularly difficult time hiring qualified new pilots, despite increased incentives. The shortage of pilots available to regional airlines may result in reduced service to some smaller U.S. markets. An additional concern regarding the pilot workforce has recently come to light due to the COVID-19 pandemic. Pilots have self-reported increased errors to NASA's Aviation Safety Reporting System and attributed their errors to the reduction in flights, which has meant less time for pilots in the cockpit. Such reports raise the possible need for retraining opportunities as the airline industry recovers.

In addition to the pilot shortage, over the next decade there could be a shortage of qualified mechanics to maintain the airlines' fleet of planes. This potential shortage is a result of an aging pool of mechanics, a large portion of which are expected to retire in the next decade, and a lack of younger people joining the ranks of the mechanics. A shortage of mechanics could raise the cost of maintenance, require airlines to maintain more spare planes and/or result in increased flight cancellations and delays.

General labor staffing shortages have also affected the airline industry. Over the last several months, numerous airlines have cancelled thousands of flights attributed to bad weather, staffing shortages, and air traffic control issues, among other things.

See also "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Air Service and Traffic Analysis – Key Factors Affecting Air Traffic Demand – Pilot Shortage."

Bankruptcy by Airlines and Concessionaires

A bankruptcy of an airline or of another tenant or tenants operating from the Airport could result in delays or reductions in payments on the Series 2022 Senior Bonds.

Since December 2000, several airlines that currently operate at the Airport, including, among others, Delta Air Lines, United Airlines and American Airlines, have filed for and reorganized under bankruptcy protection. Certain concessionaires and rental car companies also have filed for bankruptcy protection over the last several years, including Hertz Corporation in 2020. Additional bankruptcy filings may occur in the future. The bankruptcy of an airline with significant operations at the Airport could have a material adverse effect on operations of the Airport, Airport Revenues, and the cost to the other airlines operating at the Airport.

In the event of a bankruptcy by an airline or other tenant operating from the Airport, the automatic stay provisions of the United States Bankruptcy Code (the "Bankruptcy Code") could prevent (unless approval of the bankruptcy court was obtained) any action to collect any amount owing by an airline or other tenant to the Authority or any action to enforce any obligation of an airline or other tenant to the Authority. With the authorization of the bankruptcy court, an airline or other tenant may be able to repudiate some or all of its agreements with the Authority and stop performing its obligations (including payment obligations) under such agreements. Such a repudiation also could excuse the other parties to such agreements from performing any of their obligations. An airline or other tenant may be able, without the consent and over the objection of the Authority to alter the terms, including the payment terms, of its agreements with the Authority, as long as the bankruptcy court determines that the alterations are fair and equitable. In addition, with the authorization of the bankruptcy court, an airline or other tenant may be able to assign its rights and obligations under any of its agreements with the Authority to another entity, despite any contractual provisions prohibiting such an assignment. The holders of the Series 2022 Senior Bonds may be required to return to an airline or other tenant as preferential transfers any money that was used to make payments on the Series 2022 Senior Bonds and that was received by the Authority from such airline or other tenant during the 90 days immediately preceding the filing of the bankruptcy petition. Claims by the Authority under any lease with an airline or agreement with another tenant may be subject to limitations.

As described under "INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES – Passenger Facility Charges" and "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Airport Facilities and Capital Program – Authority Capital Program Plan of Finance" the airlines serving the Airport also are required to pay to the Authority PFCs collected from enplaned passengers at the Airport. The PFC Act provides that PFCs collected by the airlines constitute a trust fund held for the beneficial interest of the eligible agency (i.e., the Authority) imposing the PFCs, except for any handling or retention of interest collected on unremitted proceeds. In addition, federal regulations require airlines to account for PFC collections separately and to disclose the existence and amount of funds regarded as trust funds in their respective financial statements. However, the airlines, provided they are not under bankruptcy protection, are permitted to commingle PFC collections with other revenues. The bankruptcy courts have not fully addressed such trust arrangements. Therefore, the Authority cannot predict how a bankruptcy court might rule on this matter in the event of a bankruptcy filing by one of the airlines operating at the Airport. The PFC Act requires an airline in bankruptcy protection to segregate PFC collections from all of its other revenues. It is possible that the Authority could be held to be an unsecured creditor with respect to unremitted PFCs held by an airline that has filed for bankruptcy protection. Additionally, the Authority cannot predict whether an airline operating at the Airport that files for bankruptcy protection would have properly accounted for the PFCs owed to the Authority or whether the bankruptcy estate would have sufficient moneys to pay the Authority in full for the PFCs owed by such airline. PFCs are not pledged to the repayment of any Senior Bonds (including the Series 2022 Senior Bonds) or the Subordinate Bonds, however, the Authority has in the past and expects to in the future use PFCs to pay debt service on PFC Eligible Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 SENIOR BONDS – Pledge of PFC Revenues to Senior Bonds and Other Obligations."

There may be delays in payments to the Authority and resulting delays in the payment of principal of and interest on the Series 2022 Senior Bonds while the court considers any of the issues described above. There may be other possible effects of a bankruptcy of an airline or other tenant that could result in delays or reductions in payments on the Series 2022 Senior Bonds. Regardless of any specific adverse determinations in an airline or other tenant bankruptcy proceeding, the fact of an airline or other tenant bankruptcy proceeding could have an adverse effect on the liquidity and value of the Series 2022 Senior Bonds.

In connection with airlines or concessionaires in bankruptcy outside of the United States, the Authority cannot predict what types of orders of relief could be issued by foreign tribunals or the extent of delays in connection with such proceedings or the extent to which such orders would be enforceable in the United States.

Also see "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Air Service and Traffic Analysis – Key Factors Affecting Air Traffic Demand – The U.S. Airline Industry – Airlines Bankruptcies and Mergers."

Aviation Security

Since the September 11, 2001, terrorist attacks, government agencies, airlines, and airport operators have upgraded security measures to guard against threats and to maintain the public's confidence in the safety of air travel. Security measures have included cargo and baggage screening requirements, deployment of explosive detection devices, strengthening of aircraft cockpit doors, the increased presence of armed air marshals, awareness programs for personnel at airports, and new programs for flight crews. Aviation security is under the control of the federal government through the Transportation Security Administration.

The threat of terrorism poses risks to the continued growth of the aviation industry. Although terrorist events targeting aviation interests would likely have negative and immediate impacts on the demand for air travel, the industry and demand have historically recovered from such events. There have been terrorist attacks at airports internationally including at the Brussels Airport in March 2016, the Istanbul Atatürk Airport in June 2016, and the Orly International Airport in March 2017. So long as government agencies continue to seek processes and procedures to mitigate potential risks and to maintain confidence in the safety of aircraft, without requiring unreasonable levels of costs or inconvenience to the passengers, economic influences are expected to be the primary driver for aviation demand as opposed to security and safety.

See also "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Air Service and Traffic Analysis – Key Factors Affecting Air Traffic Demand – Aviation Security."

Cyber and Data Security

Authority. The Authority, like many other large public and private entities, relies on a large and complex technology environment to conduct its operations. As a recipient and provider of personal, private and sensitive information, the Authority faces multiple cyber threats including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computers and other sensitive digital networks and systems (collectively, "Technology Systems "). There have been many cyber-attack attempts on the Authority's computer system, but not any resulting in a material compromise of the system, data loss or breach that the Authority has identified.

Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the Authority's Technology Systems for the purposes of misappropriating assets or information or causing operational disruption and reputational damage.

No assurances can be given that the Authority's security and operational control measures will ensure against any and all cybersecurity threats and attacks. A cybersecurity incident or breach could damage the Authority's Technology Systems and cause disruption to Authority and/or Airport services, operations and finances. The costs of remedying any such damage or protecting against future attacks could be substantial. Further, cybersecurity breaches could expose the Authority to material litigation and other legal risks, which could cause the Authority to incur material costs related to such legal claims or proceedings. The Authority will continue to assess cyber threats and protect its data and systems, with a conscious effort to prioritize based on potential impact of issues and the likelihood of those issues manifesting into an incident.

See "AUTHORITY FINANCIAL INFORMATION – Insurance."

Airlines, Concessionaires and Other Entities Operating at the Airport. Computer networks and data transmission and collection are vital to the efficient operation of the airline industry. Air travel industry participants, including the airlines, the FAA, the TSA, the concessionaires and others collect and store sensitive data, including intellectual property, proprietary business information, information regarding customers, suppliers and business partners, and personally identifiable information of customers and employees. The secure processing, maintenance and transmission of this information is critical to air travel industry operations. Despite security measures, information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored there could be disrupted, accessed, publicly disclosed, lost or stolen. Any such disruption, access, disclosure or other loss of information could result in disruptions in the efficiency of the air travel industry, legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, operations and the services provided, and cause a loss of confidence in the air travel industry, which could ultimately adversely affect the airline industry and operations at the Airport System.

National Air Traffic Capacity

Demands on the national air traffic control system have, in the past, caused delays and operational restrictions affecting airline schedules and passenger traffic. The FAA is gradually implementing its Next Generation Air Transport System air traffic management programs to modernize and automate the guidance and communications equipment of the air traffic control system and enhance the use of airspace and runways through improved air navigation aids and procedures. In recent years, airline traffic delays have decreased as a result of reduced numbers of aircraft operations, but, as airline travel increases in the future, flight delays and restrictions may be expected. The projections of the Airport Consultant are conditioned on the assumption that during the Forecast Period, neither available airfield or terminal capacity, nor demand management initiatives, will constrain traffic growth at the Airport. See also "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – Air Service and Traffic Analysis – Key Factors Affecting Air Traffic Demand – National Air Traffic Capacity."

Capacity of the Airport; Cost and Schedule of Authority Capital Program

In addition to any future constraints that may be imposed by the capacity of the national air traffic control system, future growth in airline traffic at the Airport will depend on the capacity at the Airport itself. The estimated costs of and the projected scheduled for the Authority Capital Program and any other projects planned by the Authority are subject to a number of uncertainties. Although the Authority uses a variety of strategies to mitigate risk associated with the implementation of the Authority Capital Program, the ability of the Authority to complete such projects may be adversely affected by various factors including, without limitation: (a) estimating errors, (b) design and engineering errors, (c) changes to the scope of the capital improvements, (d) delays in contract awards, (e) material and/or labor shortages, (f) unforeseen site conditions, (g) adverse weather conditions, (h) contractor defaults, (i) labor disputes, (j) unanticipated levels of inflation, (k) litigation, (l) delays in permitting and (m) environmental issues, (n) the availability of the various anticipated funding sources, etc., in the amounts and at the times currently forecasted. No assurance can be given that any portion of the Authority Capital Program will not cost more than currently estimated. Any schedule delays or cost increases could result in the need to issue additional indebtedness and may result in increased costs per enplaned passenger to the Airlines utilizing the Airport. Construction of large projects at airports also involves the risk of disruption of ongoing operations and a resultant reluctance on the part of passengers and airlines to use the Airport. The successful implementation of the Authority Capital Program requires the issuance of additional indebtedness, including the Anticipated Future Bonds, and the receipt of future revenues, including federal and state grants, PFCs and CFCs. In the event one or more of these funding sources is not available to the Authority in the amount or on the schedule contemplated by the Authority, the implementation of the Authority Capital Program and any other projects planned by the Authority may be delayed. Any schedule delays or cost increases could result in the need to issue Additional Senior Bonds and/or Additional Subordinate Bonds, and may result in increased costs that cannot be recovered from the Airlines. Market conditions could adversely affect the ability of the Authority to issue the Anticipated Future Bonds or such additional obligations or to obtain funding from other sources. No assurance can be given that these sources of funding will continue to be available in the amounts or on the assumed schedule. See "AUTHORITY CAPITAL PROGRAM" herein.

The Airport is a capital-intensive facility. If rapid growth continues at the Airport, it is possible that certain elements of the Authority Capital Program or certain other projects planned by the Authority could be accelerated. While the plan of finance for these elements is not yet known, it would likely include Additional Senior Bonds and/or Additional Subordinate Bonds to fund a substantial portion, if not all, of these projects.

Southwest Airlines - The Airport's Largest Carrier

In Fiscal Year 2022, Southwest accounted for approximately 53.7% of the total enplaned passengers at the Airport. In Fiscal Year 2022, approximately 28.4% of Southwest's traffic at the Airport was connecting traffic, and approximately 71.3% was O&D. Where an airport has a sizable market share accounted for by a single airline, there is risk associated with the potential for that airline to reduce or discontinue service. However, Southwest currently operates the Airport as one of its nine "focus cities" throughout the country, pursuant to which it emphasizes carrying O&D traffic. Southwest has a proven record, with very few exceptions, of maintaining and increasing service at the airports it serves. Additionally, the development of service by Southwest has demonstrated the level of locally-generated passenger demand that could be served by other airlines at Airport if Southwest were to reduce service. Nevertheless, the Authority cannot predict what effect a reduction or discontinuation of service (O&D and/or connecting) by Southwest would have on the Authority, Airport Revenues and Net Revenues, or whether another airline would absorb the service then being provided by Southwest.

Regulations and Restrictions Affecting the Airport

The operations of the Airport are affected by a variety of contractual, statutory and regulatory restrictions and limitations including extensive federal legislation and regulations, including, without limitation, the provisions of the Senior Bond Resolution, Subordinate Bond Resolution, Signatory Passenger Airline Agreements, the federal acts authorizing the imposition, collection and use of PFC Revenues and extensive federal legislation and regulations applicable to all airports in the United States.

It is not possible to predict whether future restrictions or limitations on operations at or affecting the Airport will be imposed, whether future legislation or regulations will affect anticipated federal funding or the collection and availability of PFC Revenues to fund the Authority Capital Program or whether such restrictions or legislation or regulations would adversely affect Airport Revenues.

Passenger Facility Charges

Termination of PFCs. The Authority's legal authority to impose and use PFCs is subject to certain terms and conditions provided in the PFC Act, the PFC Regulations and each PFC application. If the Authority fails to comply with these requirements, the FAA may take action to terminate or to reduce the Authority's legal authority to impose or to use PFCs. Some of the events that could cause the Authority to violate these provisions are not within the Authority's control. In addition, failure to comply with the provisions of certain federal aviation noise acts may lead to termination of the Authority's authority to impose PFCs. Further, the FAA may terminate the Authority's ability to collect PFCs to support payment of debt service on any Senior Bonds or Subordinate Bonds attributable to PFC eligible projects on the fifth anniversary of the completion of formal termination proceedings.

Amendments to PFC Act or PFC Regulations. There is no assurance that the PFC Act will not be repealed or amended or that the PFC Regulations will not be amended in a manner that would adversely affect the Authority's ability to collect and use PFC Revenues in an amount sufficient to deposit PFC Revenues for payment of Debt Service on the Senior Bonds or Subordinate Bonds issued to finance PFC eligible projects.

Collection of the PFCs. The ability of the Authority to collect sufficient PFCs depends upon a number of factors including the operation of the Airport by the Authority, the use of the Airport by Collecting Carriers, the efficiency and ability of the Collecting Carriers to collect and remit PFCs to the Authority and the number of enplanements at the Airport. The Authority relies upon the Collecting Carriers' collection and remittance of PFCs, and both the Authority and the FAA rely upon the Airlines' reports of enplanements and collection statistics.

If the numbers of enplaned passengers at the Airport is significantly below the numbers forecast by the Airport Consultant in projecting annual PFC Revenues, if the collection fees retained by the Collecting Carriers are increased or if the PFC Act is amended, the amount of PFC Revenues actually collected by the Authority each year will be less than the amount projected and accordingly, PFC Revenues may be less than the amount sufficient to enable the Authority to pay debt service on that portion of the Senior Bonds or Subordinate Bonds issued to finance PFC eligible projects. In such event other Authority revenues would be required to pay debt service on that portion of the Senior Bonds or Subordinate Bonds issued to finance PFC eligible projects. Such debt service can be included in the applicable airline rate base. On the other hand, if the number of annual enplanements is higher than initially projected or if the rate of PFCs is increased, the Authority will collect PFC Revenues faster than initially forecast. The Authority will manage its PFC program carefully in such event and balance its expenditures with its collecting rates to ensure that sufficient PFC Revenues will be available in later years to pay debt service attributable to the Senior Bonds or Subordinate Bonds issued to finance PFC eligible projects.

The Authority's ability to pay the principal of, premium, if any, and interest on the Senior Bonds or Subordinate Bonds issued to finance PFC eligible projects depends, in part, upon the timely receipt by the Authority of PFC Revenues, and the amount of PFC Revenues received annually by the Authority depends largely upon the Authority's ability to implement and complete PFC eligible projects and upon the number of enplanements at the Airport each year. The level of enplanements, in turn, depends upon a number of economic and other factors that are not within the Authority's control. See "INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES – Passenger Facility Charges" and " – Customer Facility Charges" herein for a description of the authority to impose and use PFC Revenues.

No assurance can be given that PFC Revenues will actually be received in the amounts and at the times necessary to provide sufficient PFC Revenues in each relevant period, or to fund elements of the Authority Capital Program anticipated to be funded with PFC Revenues. The actual amount of PFC Revenues collected, and the rate of collection, will vary depending on the PFC level at the Airport and the actual number of eligible enplaned passengers at the Airport.

Federal Funding

The Authority receives certain federal funds including from the AIP fund. Additionally, certain operations at the Airport are supported by federal agencies including flight traffic controllers, FAA, TSA, FBI, Customs and Border Security, among others. Federal agencies also have regulatory and review authority over, among other things, certain Airport operations, construction at the Airport and the airlines operating at the Airport.

From time to time, the federal government has, and may in the future, come to an impasse regarding, among other things, reauthorization of the FAA (which has historically included funding for AIP) and other federal appropriations and spending. The current FAA reauthorization became effective on October 5, 2018, with the passage of the "FAA Reauthorization Act of 2018" (the "2018 FAA Act"). The 2018 FAA Act provides funding for the FAA and AIP through September 30, 2023.

Failure to adopt new legislation upon the expiration of the 2018 FAA Act may have a material, adverse impact on, among other things, (i) federal funding received by the Authority, including under the AIP; (ii) federal agency budgets, hiring, furloughs, operations and availability of Federal employees to support certain operations at the Airport, provide regulatory and other oversight, review and provide required approvals, in each case at the Airport and over the airlines serving the Airport; (iii) flight schedules, consumer confidence, operational efficiency at the Airport and in the air transportation system generally. In addition, the anticipated federal spending could be affected by, among other things, the automatic across-the-board spending cuts, known as sequestration.

There can be no assurance that the Congress will enact and the President will sign federal appropriation legislation or future FAA reauthorization which may require the Authority to fund capital expenditures forecast to come from such federal funds and from other sources (including operating revenues, Additional Senior Bonds and/or Additional Subordinate Bonds), result in decreases to the Authority Capital Program or extend the timing for completion of certain projects and the Authority is also unable to predict future impact of any federal spending cuts or appropriation impasses or the impact of such actions on airline traffic at the Airport or the Authority's revenues

Technological Innovations in Ground Transportation

One significant category of non-airline revenue is from ground transportation activity, including use of on-Airport parking facilities; trip fees paid by taxi, limousine and TNCs and rental car transactions by Airport passengers. New technologies (such as autonomous vehicles and connected vehicles) and innovative business strategies in established markets such as commercial ground transportation and car rental may continue to occur and may result in further changes in airport passengers' choice of ground transportation mode. While passenger levels at the Airport are increasing, the relative market share of these sources of revenue is shifting. The Authority is monitoring this trend and reviewing the potential impact on total non-airline revenue. However, the Authority cannot predict with certainty what impact these innovations in ground transportation will have over time on revenues from parking, other ground transportation services or rental cars. The Authority also cannot predict with certainty whether or to what extent it will collect non-airline revenue in connection with such new technologies or innovative business strategies.

Climate Change Issues and Possible New Regulations

Climate change concerns are shaping laws and regulations at the federal and State levels that could have a material adverse effect on Airlines operating at the Airport and could also affect ground operations at the Airport. Studies report that airplane emissions equal approximately 12% of all U.S. transportation and more than 3% of total U.S. greenhouse gas emissions. While the U.S. Environmental Protection Agency (the "EPA") does not currently regulate greenhouse gas emissions from aircrafts, it could do so in the future. When drafting aircraft emission regulations, the EPA must consult with the Administrator of the FAA and the Secretary of Transportation, and such regulations must not significantly increase noise or adversely affect safety. The President may also disapprove if the Secretary of Transportation advises that the regulations create a hazard to aircraft safety. The Authority can provide no assurance as to the likelihood or potential impact of any such future proposed or enacted regulations.

Failure to Execute a New Signatory Passenger Airline Agreement

As described in this Official Statement, the Existing Signatory Passenger Airline Agreements expire on June 30, 2023 and will not be extended. The Authority and the Signatory Airlines are currently negotiating the terms of a new Signatory Passenger Airline Agreement. As of the date of this Official Statement, the new Signatory Passenger Airline Agreements have not been finalized, but the Authority and the Signatory Airlines have reached agreement in principle on the rate-setting methodologies for airline rates and charges and the revenue sharing methodology, along with certain other key terms and provisions. The Authority and Southwest (the largest airline at the Airport in terms of passenger market share and a key representative of the Signatory Airlines) have executed the Proposed Signatory Passenger Airline Agreement MOU, which sets forth these key terms and provisions. The Authority expects to continue finalizing the terms and provisions of the Proposed Signatory Passenger Airline Agreement during the first half of calendar year 2023, and that the Proposed Signatory Passenger Airline Agreement will become effective on July 1, 2023.

In the event the Authority and the Signatory Airlines are unable to execute the Proposed Signatory Passenger Airline Agreement by June 30, 2023, the Authority expects to impose rates and charges on all airlines pursuant to FAA's Rates and Charges Policy and other applicable requirements of federal law and federal grant assurances, and a rate ordinance to be adopted by the Board. The airline rate-setting methodologies used by the Authority under a rate ordinance may ultimately differ from the current rate-setting methodologies under the Existing Signatory Passenger Airline Agreements or those set forth in the Proposed Signatory Passenger Airline Agreement MOU, however, the Authority's obligations to Bondholders set forth in the Senior Resolution and the Subordinate Resolution, including the obligation to set rates and charges sufficient to meet the respective Rate Covenants and the ability to charge airline rates by ordinance, remain. Any rates and charges imposed by the Authority by ordinance could be challenged by the airlines serving the Airport and the U.S. DOT would determine whether the rate-setting methodologies complied with the Authority's federal obligations.

Potential Limitation of Tax Exemption of Interest on Series 2022 Senior Bonds

From time to time, the President of the United States, the United States Congress and/or state legislatures have proposed and could propose in the future, legislation that, if enacted, could cause interest on the Series 2022 Senior Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Clarifications of the Internal Revenue Code of 1986, as amended, or court decisions may also cause interest on the Series 2022 Senior Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation. The introduction or enactment of any such legislative proposals or any clarification of the Internal Revenue Code of 1986, as amended, or court decisions may also affect the market price for, or marketability of, the Series 2022 Senior Bonds. Prospective investors of the Series 2022 Senior Bonds should consult their own tax advisors regarding any such pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion. See "TAX MATTERS – Miscellaneous."

Assumptions in the Report of the Airport Consultant

The Report of the Airport Consultant incorporates numerous assumptions as to the utilization of the Airport and other matters and states that any forecast is subject to uncertainties. The Report of the Airport Consultant should be read in its entirety regarding all of the assumptions used to prepare the forecasts made therein. No assurances can be given that the assumptions contained in the Report of the Airport Consultant will occur. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, the actual results achieved during the forecast period will vary, and the variations may be material. See "REPORT OF AIRPORT CONSULTANT" and "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT."

Forward-Looking Statements

This Official Statement contains statements relating to future results that are "forward looking statements". When used in this Official Statement, the words "estimate," "anticipate," "forecast," "project," "intend," "propose," "plan," "expect," and similar expressions identify forward looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements. See "INTRODUCTION – Forward-Looking Statements."

Any financial projections set forth in this Official Statement were not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to the prospective financial information. The Authority's independent auditors have not compiled, examined, or performed any procedures with respect to the prospective financial information contained in this Official Statement, nor have they expressed any opinion or any other form of assurance on such information or its achievability. The Authority's independent auditors have not been consulted in connection with the preparation of any financial projections contained in this Official Statement and the Authority's independent auditors assume no responsibility for its content.

AIRLINE AND AIRLINE INDUSTRY INFORMATION

Certain of the airlines or their parent corporations operating at the Airport are subject to the information reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and, as such are required to file periodic reports, including financial and operational data, with the SEC. All such reports and statements can be inspected and copies obtained at prescribed rates in the Public Reference Room of the SEC at 100 F Street, NE, Room 1580, Washington, DC 20549. The SEC maintains a website at http://www.sec.gov containing reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. In addition, each domestic airline is required to file periodic reports of financial and operating statistics with the DOT. Such reports can be inspected at the following location: Bureau of Transportation Statistics, Research and Innovation Technology Administration, Department of Transportation, 1200 New Jersey Avenue, SE, Washington, DC 20590, and copies of such reports can be obtained from the DOT at prescribed rates.

Airlines owned by foreign governments or foreign corporations operating airlines (unless such foreign airlines have American Depository Receipts registered on a national exchange) are not required to file information with the SEC. Airlines owned by foreign governments, or foreign corporations operating airlines, file limited information only with the DOT.

Neither the Authority nor the Underwriters undertake any responsibility for and make no representations as to the accuracy or completeness of the content of information available from the SEC or the DOT as discussed in the preceding paragraphs, including, but not limited to, updates of such information on the SEC's website or links to other Internet sites accessed through the SEC's website.

LITIGATION

There is no litigation now pending or, to the knowledge of the Authority, threatened against the Authority which restrains or enjoins the issuance or delivery of the Series 2022 Senior Bonds or the use of the proceeds of the Series 2022 Senior Bonds or which questions or contests the validity of the Series 2022 Senior Bonds or the proceedings and authority under which they are to be issued, executed and delivered. Neither the creation, organization, nor existence of the Authority, nor the title of the present members or other officials of the Authority to their respective offices, is being currently contested or questioned to the knowledge of the Authority.

The Authority, like other similar bodies, is subject to a variety of suits and proceedings arising in the ordinary conduct of its affairs. The Authority, after reviewing the current status of all pending and threatened litigation, believes that, while the outcome of litigation cannot be predicted, the final settlement of all lawsuits which have been filed and of any actions or claims pending or, to the knowledge of the Authority, threatened against the Authority or its officials in such capacity are adequately covered by insurance or sovereign immunity or will not have a material adverse effect upon the financial position or results of operations of the Airport.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Authority, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Series 2022 Senior Bonds 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"), except that no opinion is expressed as to such exclusion of interest on any Series 2022B Senior Bond for any period during which the Series 2022B Senior Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a "substantial user" of the facilities financed or refinanced with the proceeds of the Series 2022B Senior Bonds or a "related person," (ii) interest on the Series 2022A Senior Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, (iii) interest on the Series 2022B Senior Bonds is treated as a preference item in calculating the alternative minimum tax under the Code, and (iv) for tax years beginning after December 31, 2022, interest on the Series 2022 Senior Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Authority in connection with the Series 2022 Senior Bonds, and Bond Counsel has assumed compliance by the Authority with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Series 2022 Senior Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the Authority, under existing statutes, the Series 2022 Senior Bonds and the interest thereon are exempt from taxation by the State of Tennessee or any county, municipality or taxing district thereof, except to the extent such interest may be included within the measure of privilege taxes imposed pursuant to the laws of the State of Tennessee.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Series 2022 Senior Bonds, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Series 2022 Senior Bonds.

Certain Ongoing Federal Tax Requirements and Covenants

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Series 2022 Senior Bonds in order that interest on the Series 2022 Senior Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Series 2022 Senior Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Series 2022 Senior Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The Authority has covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Series 2022 Senior Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Series 2022 Senior Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Series 2022 Senior Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2022 Senior Bonds.

Prospective owners of the Series 2022 Senior Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Series 2022 Senior Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

"Original issue discount" ("OID") is the excess of the sum of all amounts payable at the stated maturity of a Series 2022 Senior Bond (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Series 2022 Senior Bonds. In general, the issue price for each maturity of Series 2022 Senior Bonds is expected to be the initial public offering price set forth on the cover page of the Official Statement. Bond Counsel further is of the opinion that, for any Series 2022 Senior Bonds having OID (a "Discount Bond"), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Series 2022 Senior Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner's adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Series 2022 Senior Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

Bond Premium

In general, if an owner acquires a Series 2022 Senior Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Series 2022 Senior Bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that Series 2022 Senior Bond (a "Premium Bond"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Series 2022 Senior Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Series 2022 Senior Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2022 Senior Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Series 2022 Senior Bonds under federal or state law or otherwise prevent beneficial owners of the Series 2022 Senior Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Series 2022 Senior Bonds.

Prospective purchasers of the Series 2022 Senior Bonds should consult their own tax advisors regarding the foregoing matters.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with paragraph (b)(5) of the Rule, simultaneously with the issuance of the Series 2022 Senior Bonds, the Authority will enter into the Continuing Disclosure Agreement for the benefit of the holders of the Series 2022 Senior Bonds, substantially in the form attached hereto as "APPENDIX G – FORM OF CONTINUING DISCLOSURE AGREEMENT." The Authority, as an "obligated person" under the Rule, will undertake in the Continuing Disclosure Agreement to provide: (a) certain financial information and operating data relating to the Airport and the Series 2022 Senior Bonds in each year (the "Annual Report"); and (b) notice of the occurrence of certain enumerated events (each a "Listed Event Notice"). The Annual Report and each Listed Event Notice, if applicable, will be filed by the Dissemination Agent, on behalf of the Authority, on EMMA, a service of the Municipal Securities Rulemaking Board. The specific nature and timing of filing the Annual Report and each Listed Event Notice, and other details of the Authority's undertakings are more fully described in "APPENDIX G – FORM OF CONTINUING DISCLOSURE AGREEMENT."

The following disclosure is being provided by the Authority for the sole purpose of assisting the Underwriters in complying with the Rule: The Authority previously entered into continuing disclosure undertakings, as an "obligated person" under the Rule (the "Undertakings"). In the previous five year period beginning on November 1, 2017 and ending on November 1, 2022 (the "Compliance Period"), the Authority has, on several instances during the Compliance Period, failed to comply with certain provisions of the Undertakings, including: (a) failing to timely file certain annual financial information and/or operating data; (b) failing to provide certain required annual financial information and/or operating data in its annual filings; and (c) failing to file or timely file certain notices. Subsequent to discovering these filing failures, the Authority filed a corrective notice on EMMA that included all of the financial information and operating data and notices of the occurrence of certain enumerated events that had previously not been timely filed on EMMA.

LEGAL MATTERS

Certain legal matters incident to the authorization, issuance, validity, sale and delivery of the Series 2022 Senior Bonds are subject to the approving opinion of Hawkins Delafield & Wood LLP, New York, New York, in its capacity as Bond Counsel to the Authority whose approving opinion (in substantially the form attached hereto as "APPENDIX F – FORMS OF OPINIONS OF BOND COUNSEL") will be delivered concurrently with the issuance of the Series 2022 Senior Bonds.

The legal opinion will speak only as of its date and subsequent distribution of it by recirculation of this Official Statement or otherwise will not create any implication that subsequent to the date of the legal opinion Bond Counsel has affirmed its opinion.

The proposed text of the legal opinion of Bond Counsel is attached hereto as "APPENDIX F – FORMS OF OPINIONS OF BOND COUNSEL." The actual legal opinion to be delivered may vary from the text of APPENDIX F, if necessary, to reflect facts and law on the date of delivery of the respective Series 2022 Senior Bonds.

Certain legal matters in connection with the Series 2022 Senior Bonds will be passed upon for the Authority by Adams and Reese LLP, Nashville, Tennessee. Kutak Rock LLP, Denver Colorado, has served as Disclosure Counsel to the Authority in connection with the Series 2022 Senior Bonds. Certain legal matters will be passed upon for the Underwriters by Bass, Berry & Sims PLC, Nashville, Tennessee, as Underwriters' Counsel.

The legal opinions to be delivered concurrently with the delivery of the Series 2022 Senior Bonds express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein. By rendering a legal opinion, the attorneys providing such opinion do not become insurers or guarantors of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

FINANCIAL STATEMENTS

The financial statements of the Authority as of and for the Fiscal Year ended June 30, 2022 have been audited by Plante & Moran PLLC, independent auditors (the "Auditors"). The report of the Auditors, together with the financial statements, and notes to the financial statements for the Fiscal Year ended June 30, 2022 are attached hereto as "APPENDIX B – ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY FOR THE FISCAL YEAR ENDED JUNE 30, 2022." The Auditors have not been engaged to perform and have not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditors also have not been engaged to perform and have not performed any procedures relating to this Official Statement. See "APPENDIX B – ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY FOR THE FISCAL YEAR ENDED JUNE 30, 2022."

MUNICIPAL ADVISOR

PFM Financial Advisors LLC, Memphis, Tennessee (the "Municipal Advisor") serves as independent municipal advisor to the Authority on matters relating to debt management. The Municipal Advisor has provided advice related to the planning, structuring and issuance of the Series 2022 Senior Bonds and has reviewed and commented on certain legal documentation, including the Official Statement. The advice on the plan of finance and the structuring of the Series 2022 Senior Bonds was based on materials provided by the Authority and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated or otherwise verified the information provided by the Authority or the information set forth in this Official Statement or any other information available to the Authority with respect to the appropriateness, accuracy or completeness of disclosure of such information or other information and no guarantee, warranty or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information contained in this Official Statement.

RATINGS

Moody's Investors Service, Inc. ("Moody's), Fitch Ratings ("Fitch"), and Kroll Bond Rating Agency, Inc. ("KBRA," and collectively with Moody's and Fitch, the "Rating Agencies") have assigned ratings of "A1" (stable outlook), "A+" (stable outlook) and "AA-" (stable outlook), respectively to the Series 2022 Senior Bonds.

The ratings, including any related outlook with respect to potential changes in such ratings, reflect only the respective views of the Rating Agencies, and an explanation of the significance of such ratings and outlooks may be obtained from the Rating Agencies furnishing the ratings and outlooks. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own. There is no assurance that such ratings will remain unchanged for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agency furnishing the same, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings or other actions by the Rating Agencies or either of them, may have an adverse effect on the liquidity and/or market price of the affected Series 2022 Senior Bonds. The Authority has not undertaken any responsibility to oppose any such revision, suspension or withdrawal.

UNDERWRITING

BofA Securities, Inc. ("BofA Securities"), on behalf of itself and FHN Financial Capital Markets, Jefferies LLC, J.P. Morgan Securities LLC, Loop Capital Markets, LLC, and Samuel A. Ramirez & Co., Inc. (collectively, the "Underwriters") have agreed jointly and severally, pursuant to a Bond Purchase Agreement between BofA Securities and the Authority (the "Bond Purchase Agreement") to purchase the Series 2022 Senior Bonds at a price equal to $628,419,472.17 (representing the principal amount of the Series 2022 Senior Bonds of $596,085,000.00, plus an original issue premium of $33,582,714.45, less the Underwriter's discount in the amount of $1,248,242.28). The Bond Purchase Agreement provides that the obligations of the Underwriters to purchase and accept delivery of the Series 2022 Senior Bonds are subject to various conditions of the Bond Purchase Agreement, but the Underwriters will be obligated to purchase all of the Series 2022 Senior Bonds, if any are purchased. The Underwriters reserve the right to join with dealers and other underwriters in offering the Series 2022 Senior Bonds to the public.

The prices and other terms with respect to the offering and sale of the Series 2022 Senior Bonds may be changed from time to time by the Underwriters after such Series 2022 Senior Bonds are released for sale, and the Series 2022 Senior Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers whom may sell the Series 2022 Senior Bonds into investment accounts.

Certain of the Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which for certain of the Underwriters may include securities trading, commercial and investment banking, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Authority, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority. The market activities of the Underwriters and other market participants may impact the value of the Series 2022 Senior Bonds. The Underwriters have indicated that their respective 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.

The following three paragraphs have been provided by BofA Securities, Inc., FHN Financial Capital Markets, and J.P. Morgan Securities LLC, respectively for inclusion in this Official Statement. The Authority does not make any representation as to their accuracy or completeness.

BofA Securities, one of the Underwriters of the Series 2022 Senior Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities may distribute Series 2022 Senior Bonds to MLPF&S, which may in turn distribute such Series 2022 Senior Bonds to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2022 Senior Bonds.

On February 28, 2022, First Horizon Corporation and TD Bank Group announced that First Horizon Corporation entered into a definitive agreement to be acquired by TD Bank Group. FHN Financial Capital Markets, one of the Underwriters of the Series 2022 Senior Bonds, is the municipal underwriting business line of FHN Financial, the fixed income division of First Horizon Bank, whose parent company is First Horizon Corporation. The acquisition is expected to be completed in late 2022 or early 2023 pending regulatory approvals. This transaction should not have any material effect on the underwriting of the Series 2022 Senior Bonds.

J.P. Morgan Securities LLC ("J.P. Morgan"), one of the Underwriters of the Series 2022 Senior Bonds, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Series 2022 Senior Bonds from J.P. Morgan at the original issue price less a negotiated portion of the selling concession applicable to any Series 2022 Senior Bonds that such firm sells.

DISCLOSURE OF MULTIPLE ROLES

The Authority intends to use a portion of the proceeds from the issuance of the Series 2022 Senior Bonds to pay all or a portion of the amounts outstanding under the Note Purchase Agreement.

BofA Securities is acting as an underwriter in connection with the offering of the Series 2022 Senior Bonds, and Bank of America, which is an affiliate of BofA Securities, is serving as the lender under the Note Purchase Agreement and, as such, Bank of America may receive a portion of the proceeds from the issuance of the Series 2022 Senior Bonds in connection with the payment by the Authority of all or a portion of the amounts outstanding under the Note Purchase Agreement.

Conflicts of interest could arise by reason of the different capacities in which BofA Securities and Bank of America are acting in connection with the Series 2022 Senior Bonds and payment of all or a portion of the amounts outstanding under the Note Purchase Agreement.

MISCELLANEOUS

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 2022 Senior Bonds, the security for and the source for repayment for the Series 2022 Senior Bonds and the rights and obligations of the holders of the Series 2022 Senior Bonds. Copies of such documents may be obtained as specified under "INTRODUCTION – Other Information" herein.

The appendices attached hereto, are integral parts of this Official Statement and should be read together with all other part of this Official Statement.

Any statements made in this Official Statement involving matters of opinion or of estimates or forecasts, 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 or forecasts will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holders of the Series 2022 Senior Bonds.

AUTHORIZATION OF OFFICIAL STATEMENT

The execution and delivery of this Official Statement, and its distribution and use by the Underwriters in connection with the original public offering, sale and distribution of the Series 2022 Senior Bonds by the Underwriters, have been duly authorized and approved by the Authority.

THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY

By: /s/ Douglas E. Kreulen
Douglas E. Kreulen,
President and Chief Executive Officer

By: /s/ Margaret M. Basrai
Margaret M. Basrai,
Executive Vice President and Chief Financial Officer

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APPENDIX A

REPORT OF THE AIRPORT CONSULTANT

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Appendix A:
Report of the Airport Consultant

Airport Improvement Revenue Bonds, Series 2022

November 4, 2022

PREPARED FOR
Metropolitan Nashville Airport Authority

PRESENTED BY
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November 4, 2022

Mr. Douglas E. Kreulen, A.A.E.
President and Chief Executive Officer
Metropolitan Nashville Airport Authority
Nashville International Airport
140 BNA Park Drive, Suite 520
Nashville, Tennessee 37214

Re: Report of the Airport Consultant, Metropolitan Nashville Airport Authority, Airport Improvement Revenue Bonds, Series 2022A (Non-AMT) and Series 2022B (AMT)

Dear Mr. Kreulen:

Landrum & Brown, Incorporated (L&B), in association with Partners for Economic Solutions, is pleased to submit this Report of the Airport Consultant (Report) for the proposed issuance of the Metropolitan Nashville Airport Authority's (MNAA or Authority) Airport Improvement Revenue Bonds, Series 2022A (Non-AMT) and Series 2022B (AMT) (herein referred to collectively as the Series 2022 Senior Bonds). This independent Report has been prepared for the Authority to meet its obligations pursuant to various provisions in the Airport Improvement Revenue Bond Resolution of the Authority adopted by the Board of Commissioners of the Authority on August 15, 1991 (as supplemented and amended, herein referred to as the Senior Bond Resolution), and is intended to be included in the Official Statement for the Series 2022 Senior Bonds as Appendix A, Report of the Airport Consultant. All capitalized terms in this Report are used as defined in the Official Statement or the Senior Bond Resolution, except as otherwise defined herein.

The Nashville International Airport (Airport or BNA) is owned and operated by the Authority. The Authority is a metropolitan airport authority created on February 9, 1970, pursuant to The Metropolitan Airport Authority Act, Tenn. Code Ann. §§ 42-4-101 et seq., as amended (the Act), as a public and governmental body acting as an agency and instrumentality of the Metropolitan Government of Nashville and Davidson County, Tennessee (the Metropolitan Government). The Authority also owns and operates John C. Tune Airport, a general aviation reliever airport located in west Nashville (the Reliever Airport). It serves the general aviation needs of regional corporate and private aircraft in the region. The principal purpose of the Authority is the management and operation of the Airport, the Reliever Airport (together, the Airport System) and other airports and auxiliary fields, either acquired or placed under its control. The Authority is empowered under the Act to construct, improve and operate airports and to establish and charge fees, rentals, rates and other charges. Further, the Authority is authorized to issue revenue bonds for the purposes authorized by the Act.

Senior Bonds and Senior Bond Resolution

As of November 1, 2022, the Authority had outstanding $191,155,000 in aggregate principal amount of its Airport Improvement Revenue Bonds (Existing Senior Bonds). The Existing Senior Bonds, the Series 2022 Senior Bonds, and any Additional Senior Bonds (Existing Senior Bonds, the Series 2022 Senior Bonds, and Additional Senior Bonds being collectively referred to herein as Senior Bonds) have been or will be issued pursuant to the Senior Bond Resolution, which is described in additional detail in Chapter 4 of this Report.

The Senior Bonds are limited obligations of the Authority, secured by a pledge of and lien on the Net Revenues derived by the Authority from the operation of the Airport System. Net Revenues are defined in the Senior Bond Resolution to mean Airport Revenues minus Operating Expenses.

The Authority is obligated under the Senior Bond Resolution to impose rates, rentals, fees and charges sufficient to produce Net Revenues, which, together with other available funds, will at least equal 125% of Debt Service on all Senior Bonds Outstanding. In addition, the Authority has covenanted under the Senior Bond Resolution to impose rates, rentals, fees and charges such as will produce Airport Revenues at least sufficient (i) to pay the principal of, interest on and premium, if any, on Senior Bonds as and when the same become due (whether at maturity or upon required redemption prior to maturity or otherwise); (ii) to pay as and when the same become due all Operating Expenses; (iii) to pay as and when the same become due any and all other claims, charges or obligations payable from Airport Revenues; and (iv) to carry out all provisions and covenants of the Senior Bond Resolution.

Further, and pursuant to the Senior Bond Resolution, the Authority is authorized to issue Additional Senior Bonds, subject to meeting certain conditions. The Authority may issue Additional Senior Bonds if, either:

1. a Designated Financial Officer has certified that, based on the latest available audited financial statements of the Authority, the Net Revenues for that Fiscal Year (FY)[1] as derived from said audited financial statements equaled not less than 100% of average Debt Service on all Senior Bonds Outstanding and the Senior Bonds of the series then proposed to be issued and any amount required to be deposited in the Airport Improvement Bond Reserve Fund to make up any deficiencies therein, or
2. an Airport Consultant has certified that estimated Net Revenues to be derived in each of the three full FYs following the FY in which (a) the Authority estimates a substantial portion of the Project or Projects, the costs of acquisition or construction of which are to be financed by the issuance of such Additional Senior Bonds, will be placed in continuous service or in commercial operation, or (b) Refunding Senior Bonds are issued, equal not less than 125% of the Debt Service on all Senior Bonds Outstanding upon the issuance of such Additional Senior Bonds and including such Additional Senior Bonds and 100% of any amount required to be deposited in the Airport Improvement Bond Reserve Fund to make up any deficiencies therein.

Series 2022 Senior Bonds

The Authority is planning to issue the Series 2022 Senior Bonds to: (1) pay and/or reimburse the Authority for a portion of the costs of certain elements of the Authority's Capital Program (as defined herein), (2) pay all or a portion of the amounts outstanding under the Note Purchase Agreement (as defined herein), (3) fund capitalized interest on the Series 2022 Senior Bonds, (4) fund a deposit to the Airport Improvement Bond Reserve Fund to meet the Airport Improvement Bond Reserve Fund Requirement, and (5) pay certain costs of issuance related to the Series 2022 Senior Bonds.

Subordinate Bonds and Subordinate Resolution

As of November 1, 2022, the Authority had outstanding $919,585,000 in aggregate principal amount of its Subordinate Airport Revenue Bonds (Existing Subordinate Bonds). The Existing Subordinate Bonds and any Additional Subordinate Bonds (Existing Subordinate Bonds and Additional Subordinate Bonds being collectively referred to herein as Subordinate Bonds) have been or will be issued pursuant to the Subordinate Resolution, which is described in additional detail in Chapter 4 of this Report. The Subordinate Bonds are limited obligations

[1] The Authority's Fiscal Year is the 12-month period ending June 30.

of the Authority, secured by a pledge of and lien on Net Revenues, subject and subordinate to the pledge and lien on Net Revenues created in the Senior Bond Resolution for the payment and security of the Senior Bonds.

Note Purchase Agreement (Other Subordinate Obligations)

The Authority has entered into a Note Purchase Agreement with Bank of America, N.A. with an available commitment of $300 million. The Note Purchase Agreement provides the Authority a source for interim financing which allows the Authority flexibility on timing and sizing of future bond transactions. The Authority's payment obligations under the Note Purchase Agreement are secured by a pledge of and lien on Net Revenues junior and inferior to the lien and pledge on the Net Revenues created in the Senior Bond Resolution for the payment and security of the Senior Bonds and in the Subordinate Resolution for the payment and security of the Subordinate Bonds. As of November 1, 2022, $162.1 million had been drawn down and was outstanding under the Note Purchase Agreement, of which all or a portion is anticipated to be repaid using a portion of the proceeds of the Series 2022 Senior Bonds. All of the outstanding balance of the existing notes outstanding under the Note Purchase Agreement will be repaid from a portion of the proceeds of the Series 2022 Senior Bonds, and, on or about the date of issuance of the Series 2022 Senior Bonds, new notes in the amount of $300 million will be issued under the Note Purchase Agreement and exchanged for outstanding notes and will be available to the Authority for interim financing to fund, among other things, certain elements of the Authority Capital Program.

Existing Signatory Passenger Airline Agreements

The Authority entered into Signatory Airline Use and Lease Agreements (the Existing Signatory Passenger Airline Agreements which were originally effective through June 30, 2022, but were extended through June 30, 2023, with Alaska Airlines (Alaska), Allegiant Airlines (Allegiant), American Airlines (American), Delta Air Lines (Delta), Frontier Airlines (Frontier), JetBlue Airways (JetBlue), Southwest Airlines (Southwest), Spirit Airlines (Spirit), and United Airlines (United). The Existing Signatory Passenger Airline Agreements establish, among other things, procedures for setting and adjusting rentals, rates, fees and charges to be collected for the use of Airport facilities. Airlines that have executed the Signatory Passenger Airline Agreements and their operating affiliates (together, the Signatory Airlines) accounted for almost 97% of enplaned passengers at the Airport in FY 2022.

The Existing Signatory Passenger Airline Agreements establish three cost centers for the purpose of determining rates and charges payable by the Signatory Airlines and other users of Airport facilities: Airfield, Terminal, and Terminal Ramp Area. Baggage and passenger loading bridges fees are also assessed. The Existing Signatory Passenger Airline Agreements have a “hybrid” airline rate-setting methodology with the Landing Fees being calculated on a residual basis, the Terminal Rental Rates being fixed rates specified in the Existing Signatory Passenger Airline Agreements that were initially derived based upon a compensatory basis using rentable space in the calculation, and Terminal Ramp Area rates generally established through a compensatory methodology. Other than the Airfield cost center, the Signatory Airlines are not required to provide for break-even financial operation of the Airport under the Existing Signatory Passenger Airline Agreements.

The Existing Signatory Passenger Airline Agreements govern airline use of certain Airport facilities, including Airfield, Terminal, Terminal Ramp Areas, baggage claim, ticket counters and gate areas and permit the Signatory Airlines to lease Exclusive Premises, Preferential Use Premises, and Joint Use Premises. Exclusive Premises generally includes office space, storage areas, airline club lounges, employee break rooms, and baggage service area space. Preferential Use Premises include holdroom areas and gates, ticket counters, and baggage makeup areas, leased to a Signatory Airline and to which the Signatory Airline has a higher and continuous priority of use over all other air carriers. Joint Use Premises includes baggage claim areas and baggage makeup equipment.

Passenger airlines and cargo carriers operating at the Airport that are not Signatory Airlines or Affiliates of Signatory Airlines (the Non-Signatory Airlines) are subject to rates and charges that reflect a 25% premium over the rates and charges established in the Existing Signatory Passenger Airline Agreements.

Proposed Signatory Passenger Airline Agreements

The Existing Signatory Passenger Airline Agreements, as amended, expire in June 2023 and will not be extended further under the existing terms. The Authority is currently in active negotiations with the Signatory Airlines regarding Proposed Signatory Passenger Airline Agreements to become effective upon the expiration of the Existing Signatory Passenger Airline Agreements at the end of FY 2023. At this time, the Proposed Signatory Passenger Airline Agreements have not yet been finalized. However, the Authority and the Signatory Airlines have reached agreement in principle on the methodologies for airline rates and charges and revenue sharing methodology to be included in the Proposed Signatory Passenger Airline Agreements.

The Authority and Southwest, the largest airline operating at the Airport and a key representative of the Signatory Airlines, have each signed a Memorandum of Understanding (MOU), which sets forth certain key terms and conditions of the Proposed Signatory Passenger Airline Agreements that have been negotiated and agreed upon between the Authority and the Signatory Airlines. The terms set forth in the MOU do not represent the entire and final agreement but represent the good faith agreement upon which the parties will draft the Proposed Signatory Passenger Airline Agreements.

For the purposes of forecasting airline revenues, presented in Section 4.16 herein, it is assumed that airline rates and charges will be set in accordance with the rate-setting methodologies set forth and agreed to in the MOU. The MOU is not intended to create any binding legal obligation of the parties. Should the Proposed Signatory Passenger Airline Agreements be executed between the Authority and the Signatory Airlines, the parties' rights and obligations with respect to the matters described in the MOU shall be governed by the agreement and not the MOU. Therefore, certain assumptions regarding the future airline rates and charges methodology are used solely for the purposes of this Report to forecast future airline revenues.

A summary of these airline rates and charges methodologies, described in Section 4.9.1 of this Report, is as follows:

- Landing Fees are assumed to continue as a cost center residual calculation, generally the same as the current methodology with certain adjustments.
- Terminal Ramp Area Rates are assumed to continue as a compensatory calculation, generally the same as the current methodology with certain adjustments.
- Terminal Rental Rates are calculated using a commercial compensatory methodology, which differs from the current fixed rate methodology under the Existing Signatory Passenger Airline Agreements.
- Fees for the use of Passenger Loading Bridges and Baggage Handling Systems are assumed to continue with generally the same methodology currently used with certain adjustments.
- Revenue sharing methodology is based on the weighting of three factors: Net Remaining Revenues, In-Terminal Concessions and a fixed share per enplanement.

There is no indication, at this time, that the Authority and the Signatory Airlines will not reach agreement on the Proposed Signatory Passenger Airline Agreements, as substantial negotiations have taken place over FY 2021, FY 2022, and FY 2023 and will continue to take place with resolution expected prior to the June 2023 expiration. Beyond FY 2023, airline rate-setting methodologies used by the Authority may ultimately differ from those presented herein; however, the Authority's obligations to bond holders set forth in the Senior Bond Resolution and the Subordinate Resolution, including the obligation to set rates and charges sufficient to meet the respective Rate Covenants and the ability to charge airline rates by ordinance, remain.

If no resolution on the Proposed Signatory Passenger Airline Agreements is reached before the expiration of the Existing Signatory Passenger Airline Agreements, the Authority may unilaterally implement, without airline consent or written agreements, rate-setting methodologies that meet the requirements of the FAA's Policy Regarding the Establishment of Airport Rates and Charges ("Rates and Charges Policy") and other applicable requirements of federal law and federal grant assurances.

For the purposes of the sensitivity analysis provided in Section 4.19 of this Report, an alternative forecast of airline revenues from FY 2024 through FY 2031 (Forecast Period) was developed to meet the requirements of the Rates and Charges Policy and the Authority's other federal requirements. Such methodologies, if adopted by the Authority, could be challenged by the airlines serving the Airport and the Department of Transportation would determine whether the rate-setting methodologies complied with the Authority's federal obligations. Under this scenario, the Authority's obligations to bond holders set forth in the Senior Bond Resolution and the Subordinate Resolution, including the obligation to set rates and charges sufficient to meet the respective Rate Covenants, remain.

A summary of these airline rates and charges methodologies is as follows:

- Landing Fees are assumed to continue as a cost center residual calculation, generally the same as the current methodology with certain adjustments.
- Terminal Rental Rates are calculated using a commercial compensatory methodology, which differs from the current fixed rate methodology under the Existing Signatory Passenger Airline Agreements.
- Terminal Ramp Area Rates are assumed to continue as a compensatory calculation, generally the same as the current methodology with certain adjustments.
- No revenue sharing is assumed beyond the expiration of the Existing Signatory Passenger Airline Agreements.

For additional information on the Proposed Signatory Passenger Airline Agreement MOU, please refer to the Official Statement (see "Existing and Proposed Signatory Passenger Airline Agreements").

Purpose of the Report of the Airport Consultant

In our preparation of this independent Report, we evaluated the ability of the Authority to generate Airport Revenues sufficient to meet the funding requirements and obligations established by the Senior Bond Resolution and Subordinate Resolution during the Forecast Period of FY 2024 through FY 2031. The following provides an overview of the primary findings and conclusions contained in the Report.

Role of the Airport and Economic Base for Air Traffic

The Airport is the primary commercial service airport serving the Nashville metropolitan area and the surrounding region. It is relatively isolated from airport competition in the region. It is also the largest airport in the State of Tennessee and the only large hub airport in the region. The geographical region that serves as an airport's primary air service catchment area is referred to as its "Air Service Area". For the purposes of this Report, the Airport's Air Service Area is defined as the Nashville-Davidson-Murfreesboro-Franklin, Tennessee Metropolitan Statistical Area (Nashville MSA) and includes the 14 counties in Middle Tennessee of Cannon, Cheatham, Davidson (Airport's location), Dickson, Hickman, Macon, Maury, Robertson, Rutherford, Smith, Sumner, Trousdale, Williamson, and Wilson Counties. In many cases, an air service area can extend beyond the primary MSA depending on the location of other population centers and availability of other commercial service airports; however, it is generally the economic strength of the primary MSA that provides the principal demand for supporting O&D air travel.

The Nashville MSA was the 36th most populous MSA in the U.S. in calendar year (CY) 2020. The current estimate for CY 2021 indicates that the population of the Nashville MSA increased 1.2% to approximately 2.0

million people. Based on that data, the MSA is now ranked as the 35th largest in the U.S, and accounts for approximately 29% of the entire population of Tennessee.

From CY 2015 through 2019, the Airport was one of the fastest growing airports in the nation. The Airport had approximately 8.9 million enplaned passengers in CY 2019, ranking 33rd in the U.S. in that category. In CY 2020, enplaned passengers at the Airport decreased by 55.1% to approximately 4.0 million, primarily attributable to the impacts associated with the Coronavirus Disease 2019 (COVID-19) pandemic, however, the Airport's ranking actually improved to 27th in the U.S. in CY 2020 as its passenger levels did not decrease as much as other major U.S. airports. In CY 2021, enplaned passengers at BNA increased to approximately 7.6 million, down just 15.0% from its CY 2019 level, which was one of the fastest passenger traffic recoveries among the largest airports in the U.S. From 2020 to 2021, BNA maintained its U.S. ranking as the 27th largest airport in terms of enplaned passengers.

Historically, the Airport had been classified as a medium hub airport prior to the impacts associated with the COVID-19 pandemic. However, its relatively more rapid pace of passenger recovery as compared to other major U.S. airports increased the Airport's classification to a large hub based on CY 2020 traffic, and it maintained the large hub classification based on CY 2021 traffic.

The Airport primarily serves origin and destination (O&D) passenger traffic, which either begins or ends its travel at the Airport. In FY 2019, 87.0% of the Airport's passenger traffic was O&D with the remaining 13.0% connecting. The share of O&D passengers declined slightly to 86.2% in FY 2020 and 79.3% in FY 2021, which were the two years passenger traffic was most impacted by the ongoing pandemic. In FY 2022, 84.8% of passengers were O&D. The vast majority of the Airport's connecting passenger traffic is carried by Southwest.

The Airport's largest air carrier, Southwest, operates the Airport as one of nine focus cities. Southwest enplaned approximately 4.9 million passengers at the Airport in FY 2022, accounting for 53.7% of the enplaned passenger market share. Southwest generally focusses on serving O&D passenger traffic; however, because of the airline's relative size at the Airport and its somewhat central location within the eastern U.S., it also can be a convenient option for connecting traffic. In FY 2022, approximately 28.4% of Southwest's passenger traffic was connecting and approximately 71.3% was O&D. The Airport was the 8th busiest airport in terms of daily departures and seating capacity in Southwest's system in FY 2022. In CY 2019, Southwest operated more than 4,000 flights a day during peak travel seasons, serving 103 destinations across the United States and 10 additional countries.[2] Southwest's traffic impact on the Airport is further analyzed in Chapter 2 of this Report.

The Air Service Area's economic strength is evaluated in Chapter 1 of this Report. Growth expectations for population, employment, and household income are projected to have relatively stronger growth rates in the Air Service Area as compared to Tennessee and the overall U.S., thus indicating the ongoing capacity of the Air Service Area to continue to generate demand for air travel services during the Forecast Period.

Air Service and Air Traffic Analysis

The Airport provided a diverse mix of air service from the primary U.S. airlines and certain foreign airlines. As of September 2022, the Airport had scheduled passenger service from 16 U.S. airlines (not counting regional affiliates) and four foreign flag carriers. Additionally, there was cargo service provided by five all-cargo airlines. Five airlines have started service at the Airport (Avelo Airlines, Breeze Airways, Cape Air, Flair Airlines, and Swoop Airlines) since the onset of the COVID-19 pandemic. Boutique Air ceased service at the Airport in September 2021.

2 Southwest Airlines, Southwest Corporate Fact Sheet.

The Airport's passenger operations, while strong throughout the year, have historically peaked during the summer months. In September 2022, there was nonstop service from the Airport to 94 destinations, comprised of 89 domestic and five international nonstop destinations. According to published airline schedules, service to Cape Girardeau (CGI), White Plains (HPN), Fort Leonard Wood (TGN), Hayden, Colorado (HDN) and Long Beach, California (LGB) are expected to begin later in CY 2022.

The Airport is of major significance for Southwest. In FY 2019, BNA was the 14th largest market in Southwest's system in terms of departing seating capacity with 5.7 million seats. Early on during the COVID-19 pandemic, Southwest resisted removing seating capacity from the Airport. By FY 2021, the airline had maintained 90.9% of its seating capacity from FY 2019 which was the 3rd lowest reduction in capacity for any airport in the airline's system with more than one million departing seats.[3] Southwest added more seat capacity at the Airport during FY 2022. In FY 2022, Southwest had 6.4 million departing seats, 11.4% more than in FY 2019.

In August 2022, Southwest provided up to 126 departures per day from the Airport to 54 destinations. Over its entire system, Southwest operated almost 4,000 flights per day in August 2022, serving 107 destinations across the U.S. and 14 international destinations to 10 countries. Southwest Airlines has strong national coverage from the Airport, particularly as it has added service to the western U.S., the largest cities on the east coast, and international service to Cancun. Southwest serves many of the major markets in the U.S. from the Airport on a nonstop basis.

Beginning in March 2020, enplaned passengers at the Airport decreased dramatically because of the impacts associated with the COVID-19 pandemic. These impacts included international travel restrictions and stay-at-home orders throughout the U.S. In March 2020, enplaned passengers decreased by 49.2% from March 2019. The decrease continued into April when enplaned passengers were 95.8% lower than April 2019. Overall, enplaned passengers decreased by 20.2% in FY 2020 as compared to FY 2019 levels with most of the impact occurring after mid-March 2020 when the impacts from the COVID-19 pandemic generally took hold in the U.S. Since April 2020, enplaned passengers at the Airport have recovered nearly every month. In July 2021, enplaned passengers exceeded pre-pandemic volumes for the first time with 1.4% more than July 2019. Outside of November 2021, enplaned passengers returned to below pre-pandemic levels through February 2022. However, enplaned passengers have been significantly higher than pre-pandemic levels from March 2022 through September 2022. For the entire FY 2022, enplaned passengers were 7.2% higher than in FY 2019 as FY 2022 set a new enplaned passenger record for the Airport. In September 2022, enplaned passengers set a new all-time single month record at the Airport and were approximately 25% higher than September 2019.

Air Traffic Forecast

Forecasts of air traffic activity were developed based on an analysis of the underlying economic conditions of the Air Service Area, airline traffic trends, and an assessment of Southwest's continued focus on the region. In general, it was assumed that in the long-term, growth in O&D passenger traffic at the Airport will occur as a function of growth in population and the economy of the Air Service Area. In addition, several other assumptions are incorporated into the forecasts including the following:

- The airlines will continue to add capacity that is in line with demand and Gross Domestic Product (GDP) growth.
- Long-term nationwide growth in air travel will occur over the Forecast Period consistent with forecast growth in the economy.

[3] In FY 2019, 45 out of 102 airports in Southwest Airlines system had more than 1 million departing seats.

- After a brief period of near record prices, aviation fuel prices will retrack but remain higher relative to historical levels.
- There will be no major disruption of airline service or airline travel behavior over the Forecast Period.

A review of departing seats for CY 2022 was conducted to help develop an estimate for enplaned passengers for FY 2023 for comparison to enplaned passengers budgeted by the Authority for FY 2023. There are 6.9 million departing seats scheduled for the first half of FY 2023, compared to 5.8 million for the second half of FY 2022. In the second half of FY 2022, the Airport had approximately 4.6 million enplaned passengers, reflecting a 78.4% load factor. Assuming the airlines maintain a 75.0% load factor for the first half of FY 2023, that would equate to approximately 5.2 million enplaned passengers.

In FY 2019 and FY 2022, the first half of the year accounted for approximately 50% of the enplaned passengers for the year. Assuming this same relationship between the first and second half of the fiscal year is maintained in FY 2023, and assuming that load factors are maintained at 75%, enplaned passengers at the Airport would total approximately 10.4 million in FY 2023.

For the purposes of this Report, L&B developed an independent long-term forecast of enplaned passengers that takes into consideration a number of standard industry forecasting techniques such as econometric regression modeling, trend analysis, market share, and time series. It was determined that economic regression models were the most appropriate to project enplaned passengers at the Airport. Econometric regression modeling quantifies the relationship between enplaned passengers and key socioeconomic variables. This methodology recognizes that the key independent variables will change over time and assumes that their fundamental relationships with the dependent variables will remain.

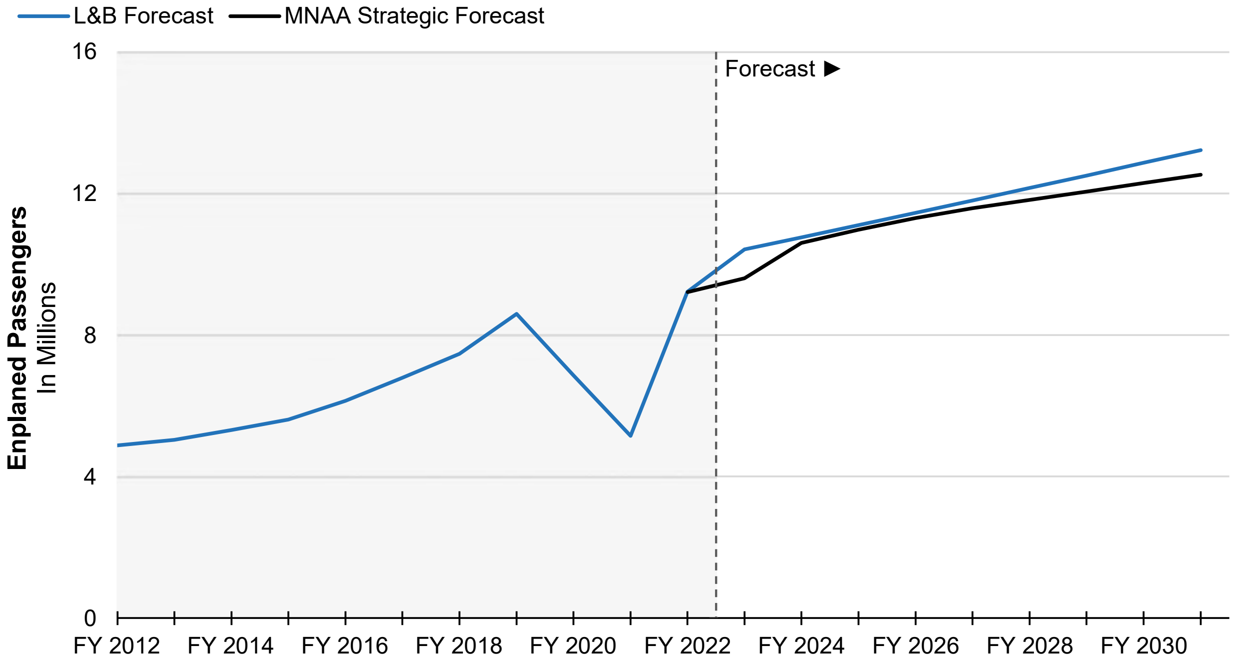
Based on models and the set of assumptions detailed above, enplaned passengers are forecast to increase 4.1% per annum from FY 2022 through FY 2031. The result is that enplaned passengers are forecast to increase from 9.2 million in FY 2022 to 13.2 million in FY 2031.

For planning purposes, including for use in the on-going negotiations with the airlines serving the Airport for the Proposed Signatory Passenger Airline Agreements, the Authority developed a strategic enplaned passenger forecast. This forecast was based on the forecast developed for the Airport's Master Plan, and revised upwards to account for the high level of growth realized prior to the pandemic. During the pandemic, the Authority continued to revise its strategic forecast to assume a realistic, yet conservative, recovery of traffic. For FY 2023, the Authority budgeted for 9.6 million enplaned passengers, which is below the approximately 10.4 million enplaned passengers resulting from L&B's shorter-term forecast.

The Authority's strategic forecast assumes more recovery from the COVID-19 pandemic to occur in FY 2024 which realigns closer to the L&B forecasts developed in this analysis. In FY 2024, the Authority's strategic forecast assumes 10.6 million enplaned passengers while the L&B analysis projects 10.8 million. The long-term growth rates in the Authority's strategic forecast (approximately 2%) are consistently below those projected by L&B (approximately 3%). The long-term growth rates in both forecasts are well below the 6.6% CAGR realized by the Airport from FY 2012 through FY 2022. Therefore, it can be concluded that the Authority's longer-term forecast is also conservative in nature.

For the purposes of the financial analysis in this Report, L&B has adopted the Authority's strategic forecast of enplaned passengers. **Figure 1** depicts the Authority's strategic forecast for enplaned passengers as well as the independent forecast developed by L&B.

Figure 1 **Enplaned Passenger Forecast for the Airport**



Sources: Metropolitan Nashville Airport Authority records based on reports from the FAA; MNAA Strategic Activity Forecast; Landrum & Brown Analysis.

Table 1 provides a summary of historical Airport airline activity from FY 2019 through FY 2022 as well as the Authority's strategic enplaned passenger forecast and the landed weight forecast for the Airport during the Forecast Period used for the financial analysis provided in this Report.

Table 1 Activity Summary (FY 2019 – FY 2031)

	Enplaned Passengers		Landed Weight (in million-pound units)	
Fiscal Year	Passengers (in thousands)	Year-Over-Year Growth	Total	Year-Over-Year Growth
FY 2019 Actual	8,596		9,954	
FY 2020 Actual	6,858	-20.2%	8,995	-9.6%
FY 2021 Actual	5,152	-24.9%	7,869	-12.5%
FY 2022 Actual	9,218	78.9%	11,043	40.3%
FY 2023	9,600	4.1%	10,176	-7.9%
FY 2024	10,602	10.4%	11,055	8.6%
FY 2025	10,974	3.5%	11,287	2.1%
FY 2026	11,303	3.0%	11,490	1.8%
FY 2027	11,587	2.5%	11,664	1.5%
FY 2028	11,814	2.0%	11,800	1.2%
FY 2029	12,050	2.0%	11,918	1.0%
FY 2030	12,291	2.0%	12,038	1.0%
FY 2031	12,537	2.0%	12,158	1.0%

Range	Average Annual Growth Rate	
FY 2019-22	2.4%	3.5%
FY 2022-31	3.5%	1.1%
FY 2023-31	3.4%	2.2%

Source: Metropolitan Nashville Airport Authority records based on reports from the FAA; MNAA Strategic Activity Forecast.

Authority Capital Program

The Authority's capital program is presented in Chapter 3 of this Report. Between FY 2012 and FY 2022, annual enplaned passengers at the Airport increased by 87.8% from approximately 4.9 million to 9.2 million, representing a CAGR of 6.6% during that period. As activity has continued to increase, demand for Airport gates has also risen to the point where existing capacity has become strained. The Authority's Capital Program was developed in response to this growth and the expected continued growth in the region and in passengers and consists of the following programs and initiatives:

- **BNA Vision - $1.5 billion**
  - **BNA Vision 1.0 –** Elements include the construction of three parking garages, a 64,000 square foot airport administrative office building, the reconstruction and expansion of Concourse D to accommodate six additional aircraft gates which includes the construction of a new central utility plant, the expansion of the ticketing lobby and the baggage claim area, the filling and paving of 500,000 square feet of terminal apron and taxilane area, the construction of a new international arrivals facility, and phase 1 of the expansion of terminal access roadways and the relocation of Donelson Pike. The estimated cost of BNA Vision 1.0 is approximately $1.3 billion.

    The BNA Vision program also includes the construction of a hotel at the Airport. The Authority selected a private developer to develop a Hilton Hotel that is expected to feature 292 guest rooms, approximately 16,000 square feet of meeting space, and a rooftop pool and sky bar. An estimated construction cost of the Airport hotel of $131 million was initially included in BNA Vision 1.0, however, is not included in the $1.3 billion project cost of BNA Vision 1.0.

    The connection plaza constructed on top of Terminal Garage 1 is designed to ultimately serve as a future light rail station should it be developed, however, the status of a future light rail is currently unknown and no costs associated with the light rail station are included in the BNA Vision program.
  - **BNA Vision 2.0** – Elements include an 8-gate satellite concourse, site prep and ramp paving for the Concourse A expansion included in New Horizon (described below), the environmental assessment, property acquisition, and design work associated with the future extension of Runway 2L-20R. The estimated cost of BNA Vision 2.0 is approximately $229.5 million.

  The Authority has secured approximately $1.1 billion of funding out of the total $1.5 billion anticipated project cost for BNA Vision. The Series 2022 Senior Bonds are anticipated to complete the funding needed for the program. The following elements of the BNA Vision program have been completed:

  - Terminal Garage 2 – Completed June 2020
  - Employee Parking Lot Improvements – Completed June 2020
  - Concourse D Construction and Electrical Vault – Completed July 2020
  - Terminal Garage 1 and Administration Building – Completed January 2021

  The remaining BNA Vision 1.0 elements, along with the satellite concourse included in BNA Vision 2.0, are all anticipated to be completed in CY 2023.

- **New Horizon - $1.5 billion**

  New Horizon's preliminary plan includes:

  - **Concourse A and D improvements** – Concourse A and D will see extensions and improvements including additional gates, moving walkways, and additional concessions in both concourses. The Concourse D extension is anticipated to add 5 additional gates and to provide operational flexibility during the construction of a new Concourse A as the existing 6 gates on Concourse A will be demolished. The New Concourse A is anticipated to include 16 gates upon completion, for a net increase of 10 new gates.
  - **New air freight building** – a new air freight facility will be constructed to better support airline cargo requirements.
  - **Terminal roadway improvements – Phases 2 and 3** – roadway capacity will be increased and ease traffic flow into and out of the airport terminal and parking garages.
  - **Baggage handling system improvements** – upgrades to the baggage handling system will sort bags by flight, speed security inspections, and deliver passenger luggage to and from the aircraft faster.

  This program is anticipated to be funded in part with the Series 2022 Senior Bonds, along with anticipated future bonds and Authority funds, and projects are anticipated to be completed between CY 2023 and CY 2028.

- **Other capital projects developed as part of the Authority's on-going capital improvement plan (CIP) - $358.4 million**

  The Authority also plans to undertake capital projects, developed in addition to the BNA Vision and New Horizon programs, as part of the Authority's CIP. The Authority maintains an ongoing CIP to address the needs of the Airport System in conjunction with the Authority's long-term facilities plan addressed through BNA Vision and New Horizon. The Authority's CIP consists primarily of Airport System improvements, upgrades, and other repair, reconstruction, and maintenance projects while BNA Vision and New Horizon were developed to address larger capital development needs. In addition to routine vehicle replacement, maintenance equipment repair and replacement, and other ongoing pavement rehabilitation projects, major CIP projects include various concourse upgrades, expansion of the Terminal curbside, deicing improvements, taxilane improvements, and an airport rescue and firefighting (ARFF) Station annex. For the purposes of this Report, the amount assumed for the Authority's on-going CIP includes the projects included in the Authority's 2023-2027 CIP plus other assumed annual expenditures from FY 2028 through FY 2031 based on the average annual expenditures in the Authority's 2023-2027 CIP.

  As a result of the rapid growth in passengers the Airport has been experiencing, the Authority will continue to actively assess and manage its capital needs to determine any necessary modifications to the CIP as necessary to accommodate evolving priorities with respect to demand-driven traffic activity, operational needs of the Airport, and other factors. The Authority's CIP is subject to frequent review and modification based on expected funding priorities of the Airport System.

For purposes of this Report, the Authority's Capital Program (consisting of BNA Vision, New Horizon, and the Authority's ongoing CIP presented above) is assumed to be fully funded and completed during the Forecast Period.

Table 2 presents estimated project costs for the Authority's Capital Program by category and their anticipated funding sources, which includes proceeds of the Series 2022 Senior Bonds and other funding sources (described in Chapter 3). The Authority has used interim financing available through its Note Purchase Agreement (described in Section 4.3.4 herein) for projects currently underway. The funding amounts presented in Table 2 and described in this Report reflect proceeds of the Series 2022 Senior Bonds that will either be used to directly fund construction costs or to refinance certain draws made pursuant to the Note Purchase Agreement that were used for construction costs.

Table 2 Authority Capital Program Plan of Finance by Category (Dollars in Millions)

Category	Federal and State[1]	Previous Bonds	Series 2022 Senior Bonds[2]	Future Bonds[3]	CFC	Authority Funds	**Total**
BNA Vision	$45.5	$1,040.7	$393.3	$48.5	$6.5	$0.0	**$1,534.5**
New Horizon	0.0	0.0	127.2	1,260.3	0.0	75.0	**1,462.5**
Other CIP Projects	17.9	0.0	18.0	153.1	0.0	169.4	**358.4**
Total	**$63.4**	**$1,040.7**	**$538.5**	**$1,461.9**	**$6.5**	**$244.4**	**$3,355.4**

Note: Amounts may not add because of rounding.
[1] The Authority anticipates receiving and using approximately $17.9 million of BIL grant funding for deicing improvement included in the Authority's CIP. For the purposes of the analysis in this Report, no other BIL grant funds have been programmed into the plan of finance, however, the use of additional BIL grants would likely offset the future anticipated use of Authority Funds or future bonds.
[2] Reflects proceeds of the Series 2022 Senior Bonds that will either be used to directly fund construction costs or to refinance certain draws made pursuant to the Note Purchase Agreement that were used for construction costs.
[3] Assumes future Senior Bond issuances, anticipated to be issued in 2024 ($677.4 million of project funding) and 2026 ($784.5 million of project funding).
Source: Metropolitan Nashville Airport Authority

Financial Analysis

L&B evaluated the ability of the Airport System to generate Airport Revenues sufficient to meet the funding requirements and obligations established by the Senior Bond Resolution and the Subordinate Resolution for budget FY 2023 and during the Forecast Period of FY 2024 through FY 2031. Per our analyses, and as required pursuant to the Senior Bond Resolution Rate Covenant, the Authority is forecast to be able to produce sufficient Net Revenues, which, together with other available funds, will at least equal 125% of Debt Service on all Senior Bonds anticipated to be outstanding during the Forecast Period, including the Series 2022 Senior Bonds and anticipated future Senior Bonds. In addition, pursuant to the Subordinate Resolution Rate Covenant, the authority is forecast to be able to produce sufficient Net Revenues, which, together with other available funds, will at least equal 110% of Debt Service on all Senior Bonds anticipated to be outstanding during the Forecast Period, including the Series 2022 Senior Bonds and anticipated future Senior Bonds, and all Subordinate Bonds anticipated to be outstanding during the Forecast Period.

The Authority is forecast to meet its requirements and obligations established by the Senior Bond Resolution and Subordinate Resolution and maintain reasonable levels of airline cost per enplaned passenger (CPE) which would be comparable to other airports with similar capital programs throughout the Forecast Period. **Table 3** presents Net Revenues, Senior and Subordinate Debt Service coverage ratios, and airline CPE throughout the Forecast Period. While amounts totaling 25% of Senior Debt Service and 10% of Senior and Subordinate Debt

Service may be transferred from the Nashville Airports Experience (NAE) Fund as Other Available Funds, the Debt Service coverage ratios presented in Table 3 forecast Debt Service coverage without the inclusion of any available amounts transferred from the NAE Fund and represent a potential low range of coverage. Debt Service coverage ratios including forecast available amounts transferred from the NAE Fund as allowed per the Senior Bond Resolution and Subordinate Resolution are presented in Chapter 4 herein.

Table 3 Debt Service Coverage Forecast and Passenger Airline CPE Forecasts (Dollars in Thousands, Except For CPE)

Fiscal Year	Net Revenues	Senior Net Debt Service[1]	Senior Debt Service Coverage Ratio[2]	Subordinate Net Debt Service[1]	Senior and Subordinate Debt Service Coverage Ratio[2]	Airline CPE
2023	$84,312	$16,143	5.47x	$27,870	2.02x	$6.74
2024	$132,598	$21,249	6.49x	$25,357	2.95x	$10.43
2025	$149,178	$32,104	4.90x	$28,547	2.56x	$11.45
2026	$186,917	$65,868	3.09x	$28,583	2.08x	$14.39
2027	$190,824	$70,229	2.97x	$28,577	2.03x	$14.43
2028	$197,827	$74,599	2.90x	$28,575	2.02x	$14.89
2029	$248,391	$132,247	2.13x	$28,570	1.64x	$19.26
2030	$286,376	$187,738	1.78x	$28,580	1.42x	$22.12
2031	$279,491	$186,816	1.75x	$28,570	1.40x	$21.30

[1] Net of PFCs applied to Debt Service and capitalized interest.
[2] Ordinance coverage which includes amounts available for transfer from the Nashville Airports Experience Fund.
Source: Landrum & Brown

The Authority's financial statements include financial reporting for the MNAA Properties Corporation (MPC), a non-profit organization formed in April 2007 for the purpose of supporting and facilitating the operations of the Authority and to help the economic development of the surrounding Nashville area. The operating expenses of MPC (and any subsidiaries of MPC) are not Operating Expenses of the Authority and income and revenues of MPC (and any subsidiaries of MPC) are not included in Airport Revenues, except for ground rent payments and management fees paid by such entities to the Authority which are included in Airport Revenues. Therefore, all MPC operating expenses and all MPC revenues not included in Airport Revenues have been excluded from the financial analysis in this Report.

L&B prepared the aviation activity and financial forecasts included in this Report along with underlying assumptions. In preparing our findings and conclusions, L&B has relied upon the accuracy and completeness of financial and other data provided to it by the referenced sources, without independent verification. The techniques and methodologies used in preparing this Report are consistent with industry practices for similar studies in connection with airport revenue bond sales. Although L&B believes that the approach and assumptions used are reasonable and provide an appropriate basis for the financial forecasts, any forecast is subject to uncertainties.

Inevitably, some assumptions used to derive the forecast contained herein will not be realized, and unforeseeable events may occur. The actual financial results achieved will vary from those forecast, and such variations could be material. We have no responsibility to update this Report for events and/or circumstances occurring after the date of this Report.

L&B is not registered with the U.S. Securities & Exchange Commission as a municipal advisor, is not acting as a municipal advisor, and does not assume any fiduciary duties or provide advisory services as described in Section 15B of the Securities Exchange Act of 1934 or otherwise. L&B does not make recommendations or advice regarding any action to be taken by our clients with respect to any prospective, new, or existing municipal financial products or issuance of municipal securities including with respect to the structure, timing, terms or other similar matters concerning municipal financial products or the issuance of municipal securities.

L&B, in association with Partners for Economic Solutions, appreciates this opportunity to serve as the Authority's Airport Consultant for this proposed financing.

Sincerely,

Landrum & Brown, Incorporated

Landrum & Brown, Incorporated

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1 Role of the Airport and Economic Base for Air Traffic

This Chapter introduces the Nashville International Airport (Airport or BNA) and summarizes the role the Airport serves in accommodating air traffic for the nation, the region, and the Airport's largest airline, Southwest Airlines (Southwest). This Chapter also describes the Nashville metropolitan region's economic base and its ability to continue to support demand for air transportation.

1.1 Role of the Airport

The Airport serves as the principal commercial airline passenger airport for the Middle Tennessee area and portions of Southern Kentucky and Northern Alabama. Established in June 1937 as Berry Field on a 340-acre tract, the Airport has been expanded and developed over the years to meet increased aviation demand and accommodate the economic growth of the Middle Tennessee region. Today, the Airport covers 4,470 acres. It is located approximately six miles from downtown Nashville. The Airport is publicly owned and operated by the Metropolitan Nashville Airport Authority (Authority). The Authority was created on February 9, 1970, pursuant to The Metropolitan Airport Authority Act, Tennessee Code Annotated §§ 42-4-101 et seq., as amended (the Act), as a public and governmental body acting as an agency and instrumentality of the Metropolitan Government of Nashville and Davidson County, Tennessee (the Metropolitan Government). The Authority also owns and operates John C. Tune Airport, a general aviation reliever airport located in west Nashville (the Reliever Airport) which serves the needs of regional corporate and private aircraft in the region. The principal purpose of the Authority is the management and operation of the Airport, the Reliever Airport (together, the Airport System), and other airports and auxiliary fields, either acquired or placed under its control.

1.1.1 National Role

From calendar year (CY) 2015 through 2019, the Airport was one of the fastest growing airports in the nation. The Airport had approximately 8.9 million enplaned passengers in CY 2019, ranking 33rd in the U.S. in that category. In CY 2020, enplaned passengers at the Airport decreased by 55.1% to approximately 4.0 million, primarily attributable to the impacts associated with the Coronavirus Disease 2019 (COVID-19) pandemic, however, the Airport's ranking actually improved to 27th in the U.S. in 2020 as its passenger levels did not decrease as much as other major U.S. airports. In CY 2021, enplaned passengers at BNA increased to approximately 7.6 million, down just 15.0% from its CY 2019 level, which was one the fastest passenger traffic recoveries among the largest airports in the U.S. From CY 2020 to CY 2021, BNA maintained its U.S. ranking as the 27th largest airport. **Table 1-1** provides the rankings of the top-30 U.S. airports in terms of total enplaned passengers per the FAA (preliminary data) for CY 2021. The Airport is currently classified by the Federal Aviation Administration (FAA) as a large hub airport[4] based upon its share of nationwide enplaned passengers.[5]

[4] Federal Aviation Administration, Report to Congress: National Plan of Integrated Airport Systems (NPIAS) 2021-2025, September 30, 2021.

[5] To be classified as a large hub airport, the airport must enplane more than one percent of U.S. annual enplaned passengers.

Table 1-1 U.S. Large Hub Airports Ranked by Enplaned Passengers

Rank	City	Airport	Code	Enplaned Passengers (in '000s) CY 2021	CY 2019	Percent Change
1	Atlanta	Hartsfield–- Jackson Atlanta International	ATL	36,676	53,506	-31.5%
2	Fort Worth	Dallas-Fort Worth International	DFW	30,005	35,779	-16.1%
3	Denver	Denver International	DEN	28,646	33,593	-14.7%
4	Chicago	Chicago O'Hare International	ORD	26,351	40,871	-35.5%
5	Los Angeles	Los Angeles International	LAX	23,663	42,939	-44.9%
6	Charlotte	Charlotte/Douglas International	CLT	20,901	24,200	-13.6%
7	Orlando	Orlando International	MCO	19,619	24,562	-20.1%
8	Las Vegas	Harry Reid International	LAS	19,160	24,728	-22.5%
9	Phoenix	Phoenix Sky Harbor International	PHX	18,940	22,434	-15.6%
10	Miami	Miami International	MIA	17,500	21,421	-18.3%
11	Seattle	Seattle-Tacoma International	SEA	17,430	25,002	-30.3%
12	Houston	George Bush Intercontinental/Houston	IAH	16,243	21,905	-25.8%
13	New York	John F Kennedy International	JFK	15,273	31,037	-50.8%
14	Newark	Newark Liberty International	EWR	14,514	23,161	-37.3%
15	Fort Lauderdale	Fort Lauderdale/Hollywood International	FLL	13,599	17,951	-24.2%
16	Minneapolis	Minneapolis-St Paul International	MSP	12,211	19,193	-36.4%
17	San Francisco	San Francisco International	SFO	11,725	27,779	-57.8%
18	Detroit	Detroit Metro Wayne County	DTW	11,518	18,143	-36.5%
19	Boston	General Edward Lawrence Logan International	BOS	10,910	20,699	-47.3%
20	Salt Lake City	Salt Lake City International	SLC	10,796	12,841	-15.9%
21	Philadelphia	Philadelphia International	PHL	9,820	16,006	-38.7%
22	Glen Burnie	Baltimore/Washington International	BWI	9,254	13,285	-30.3%
23	Tampa	Tampa International	TPA	8,847	10,979	-19.4%
24	San Diego	San Diego International	SAN	7,836	12,649	-38.0%
25	New York	LaGuardia	LGA	7,827	15,394	-49.2%
26	Chicago	Chicago Midway International	MDW	7,681	10,082	-23.8%
27	**Nashville**	**Nashville International**	**BNA**	**7,594**	**8,936**	**-15.0%**
28	Dulles	Washington Dulles International	IAD	7,228	11,884	-39.2%
29	Arlington	Ronald Reagan Washington National Airport	DCA	6,732	11,595	-41.9%
30	Austin	Austin-Bergstrom International Airport	AUS	6,666	8,507	-21.6%

Note: Amounts in this table may vary from Authority traffic reports.
Source: Federal Aviation Administration, Air Carrier Activity Information System (ACAIS), September 2022.

Historically, the Airport had been classified as a medium hub airport prior to the impacts associated with the COVID-19 pandemic. However, its relatively more rapid pace of passenger recovery as compared to other major U.S. airports increased the Airport's classification to a large hub based on CY 2020 traffic, and it has maintained the large hub classification based on CY 2021 traffic. As presented in Table 1-1 among U.S. large hub airports, the Airport had the third lowest decrease of enplaned passengers in CY 2021 as compared to CY 2019 at 15.0%; behind only Charlotte and Denver at 13.6% and 14.7%, respectively. The Airport's enplaned passenger levels began consistently exceeding 2019 levels in March 2022. A detailed discussion of the Airport's air traffic is presented in Chapter 2 of this Report.

1.1.2 Regional Role

The Airport primarily serves origin and destination (O&D) passenger traffic, which either begins or ends its travel at the Airport. In Fiscal Year (FY)[6] 2019, 86.8% of the Airport's passenger traffic was O&D with the remaining 13.2% connecting. The share of O&D passengers declined slightly to 86.2% in FY 2020 and 79.3% in FY 2021, which were the two years passenger traffic was most impacted by the ongoing pandemic. In FY 2022, 84.8% of passengers were O&D.[7] The vast majority of the Airport's connecting passenger traffic is carried by Southwest.

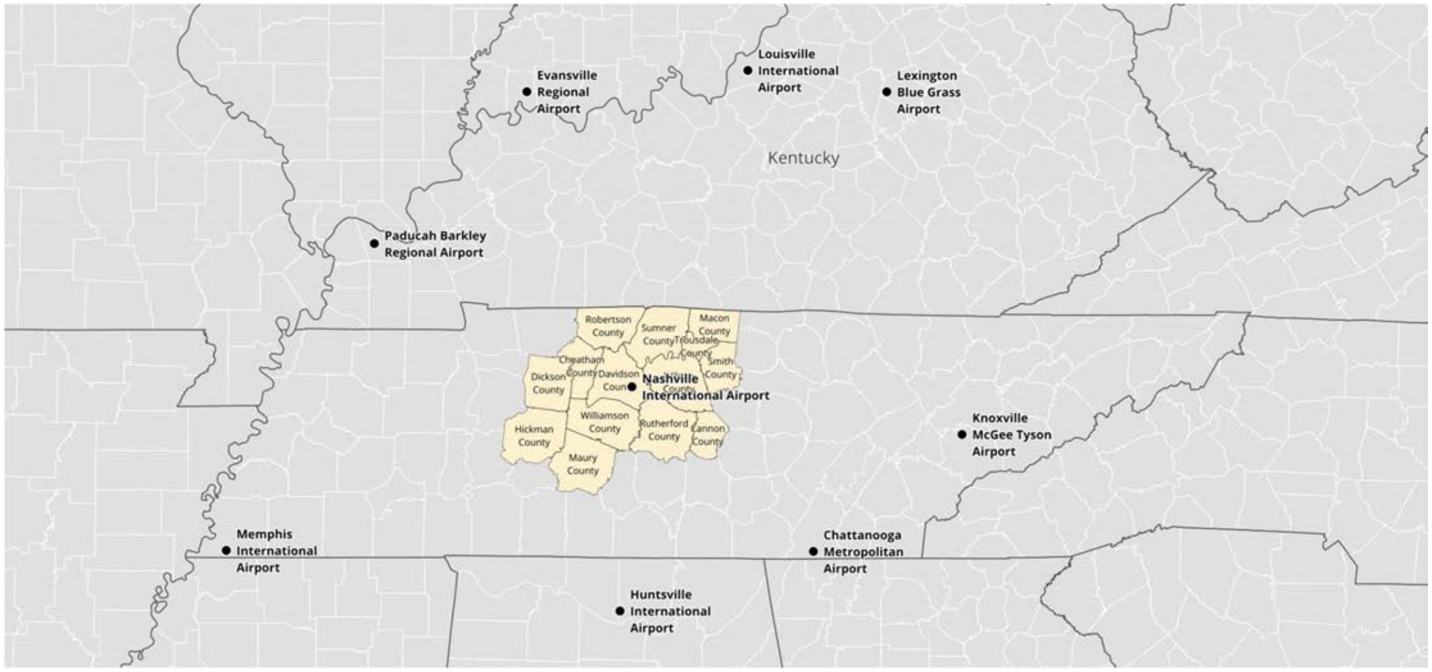
The Airport is the primary commercial service airport serving the Nashville metropolitan area and the surrounding region. It is relatively isolated from airport competition in the region. It is also the largest airport in the State of Tennessee and the only large hub airport in the region. The geographical region that serves as an airport's primary air service catchment area is referred to herein as its "Air Service Area". For the purposes of this Report, the Airport's Air Service Area is defined as the Nashville-Davidson-Murfreesboro-Franklin, Tennessee Metropolitan Statistical Area (Nashville MSA) and includes the 14 counties in Middle Tennessee of Cannon, Cheatham, Davidson (Airport's location), Dickson, Hickman, Macon, Maury, Robertson, Rutherford, Smith, Sumner, Trousdale, Williamson, and Wilson Counties.[8] In many cases, an air service area can extend beyond the primary MSA depending on the location of other population centers and availability of other commercial service airports; however, it is generally the economic strength of the primary MSA that provides the principal demand for supporting O&D air travel.

The Nashville MSA was the 36th most populous MSA in the U.S. in CY 2020. The current estimate for CY 2021 indicates that the population of the Nashville MSA increased by 1.2% to approximately 2.0 million people. Based on this data, the MSA is now ranked as the 35th largest in the U.S., and accounts for approximately 29% of the entire population of Tennessee.

As mentioned, the Airport's Air Service Area is generally isolated from competing airport facilities and, hence, the Airport has limited competition for air service. **Figure 1-1** illustrates the Air Service Area and other commercial service airports within a 250-mile drive radius from the Airport. As shown, the only other commercial service airports that offer air service within a 150-mile drive radius from the Airport are the Huntsville International Airport (HSV), the Chattanooga Metropolitan Airport (CHA), and the Paducah Barkley Regional Airport[9] (PAH). Louisville International Airport (SDF) and Knoxville McGee Tyson Airport (TYS) are about 175 driving miles from the Airport. Memphis International Airport (MEM) is a medium hub airport about 220 driving miles from the Airport. Other medium and large hub airports are over 250 driving miles from the Airport with Hartsfield-Jackson Atlanta International Airport (ATL) the nearest at approximately 255 driving miles.

6 The Authority's Fiscal Year is the 12-month period ending June 30.
7 Based on data provided by the Metropolitan Nashville Airport Authority, BNA Enplanements FY20-22.
8 Executive Office of the President: Office of Management and Budget, Revised Delineations of Metropolitan Statistical Areas, and Combined Statistical Areas, and Guidance on Uses of the Delineations of These Areas, March 6, 2020.
9 Paducah Barkley Regional Airport only provides commercial passenger flights via Essential Air Service (EAS).

Figure 1-1 Air Service Area and Proximity to Other Airports

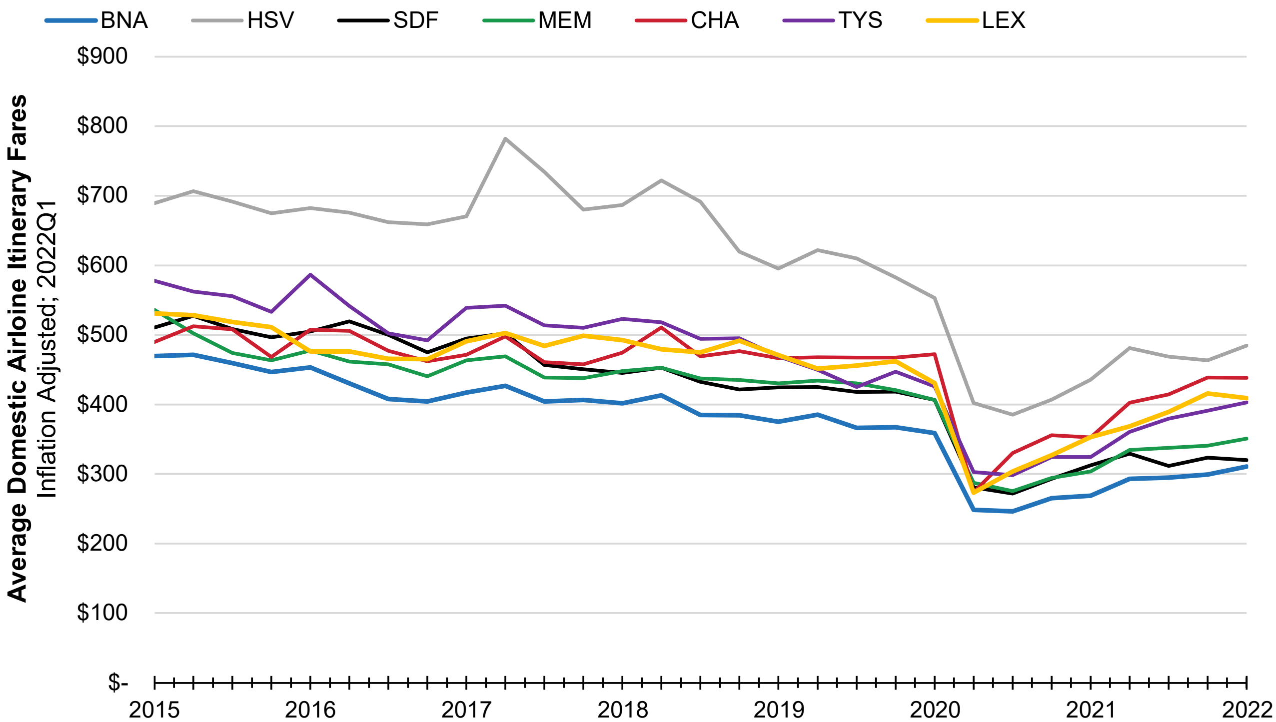


Airport	Code	Airport Category	Driving Distance from BNA	Largest Carrier	Enplaned Passengers (in '000) CY 21	Enplaned Passengers (in '000) CY 19
Nashville International Airport	**BNA**	**Large**	**-**	**Southwest**	**7,594**	**8,936**
Huntsville International Airport	HSV	Small	125	American	460	703
Chattanooga Metropolitan Airport	CHA	Small	145	Delta	378	553
Paducah Barkley Regional Airport	PAH	Non-Hub	150	United	14	18
Evansville Regional Airport	EVV	Non-Hub	165	American	165	242
Knoxville McGhee Tyson Airport	TYS	Small	175	American	977	1,240
Louisville International Airport	SDF	Small	175	Delta	1,529	2,044
Lexington Blue Grass Airport	LEX	Small	215	Delta	464	707
Memphis International Airport	MEM	Medium	220	American	1,793	2,318

Source: Federal Aviation Administration, Air Carrier Activity Information System (ACIAS), accessed September 2022.

The Airport typically has lower airfares as compared to other regional airports. **Figure 1-2** illustrates the average one-way airfare paid at the Airport versus other regional airports, excluding non-hubs. As shown, average airfare at the Airport has historically been the lowest in the region. In the first quarter of CY 2022 (the most recent data available), the Airport's average airfare ranges from $10 lower than SDF to $174 lower than HSV. With its relatively lower airfare and significantly more air service offerings, the Airport is an attractive option for people across the region. The Airport's airfare advantage is generally most pronounced in Southwest nonstop markets. Southwest typically prices nonstop flight segments at lower fares as compared to connecting markets, particularly versus other network airlines such as American Airlines (American), United Airlines (United), and Delta Air Lines (Delta). Given the large number of Southwest nonstop markets from the Airport, a significant competitive advantage is inherent for the Airport from a regional perspective.

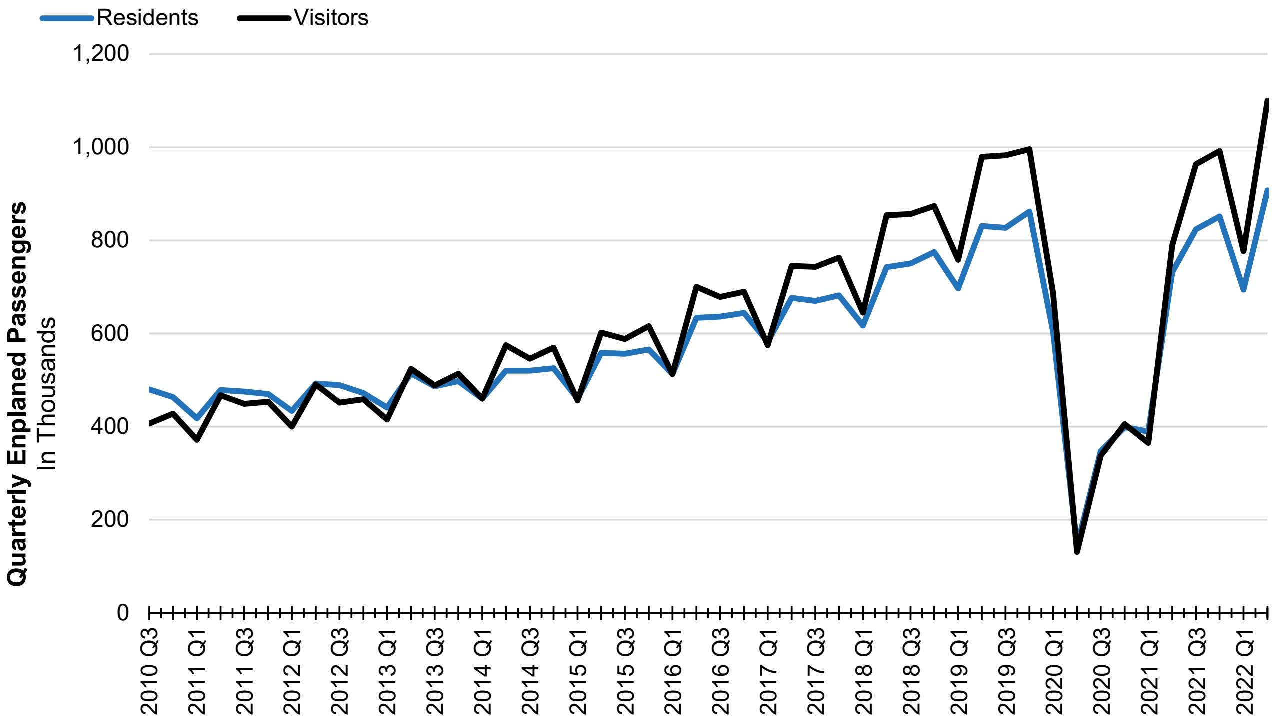
Figure 1-2 Regional Airport Domestic Airfare Comparison (2015 Q1 – 2022 Q1)



Source: U.S. Department of Transportation, Average Domestic Airline Itinerary Fares by Origin City, accessed August 2022.

Visitors have become an increasingly significant driver in the overall traffic at the Airport. In FY 2011, approximately 52.3% of the total enplaned passengers at the Airport were local passengers. However, by FY 2019 the share of local passengers had shifted to 46.8%. During the height of the COVID-19 pandemic, the share had moved to closer to a 50/50 split of local to visitor traffic. However, visitor traffic has been an important component in the recovery at the Airport. In the second quarter of 2022, 53.7% of the enplaned passengers were visitors. **Figure 1-3** provides the quarterly enplaned passengers by group.

Figure 1-3 Quarterly Enplaned Visitor and Local Passengers (2010 Q3 – 2022 Q2)

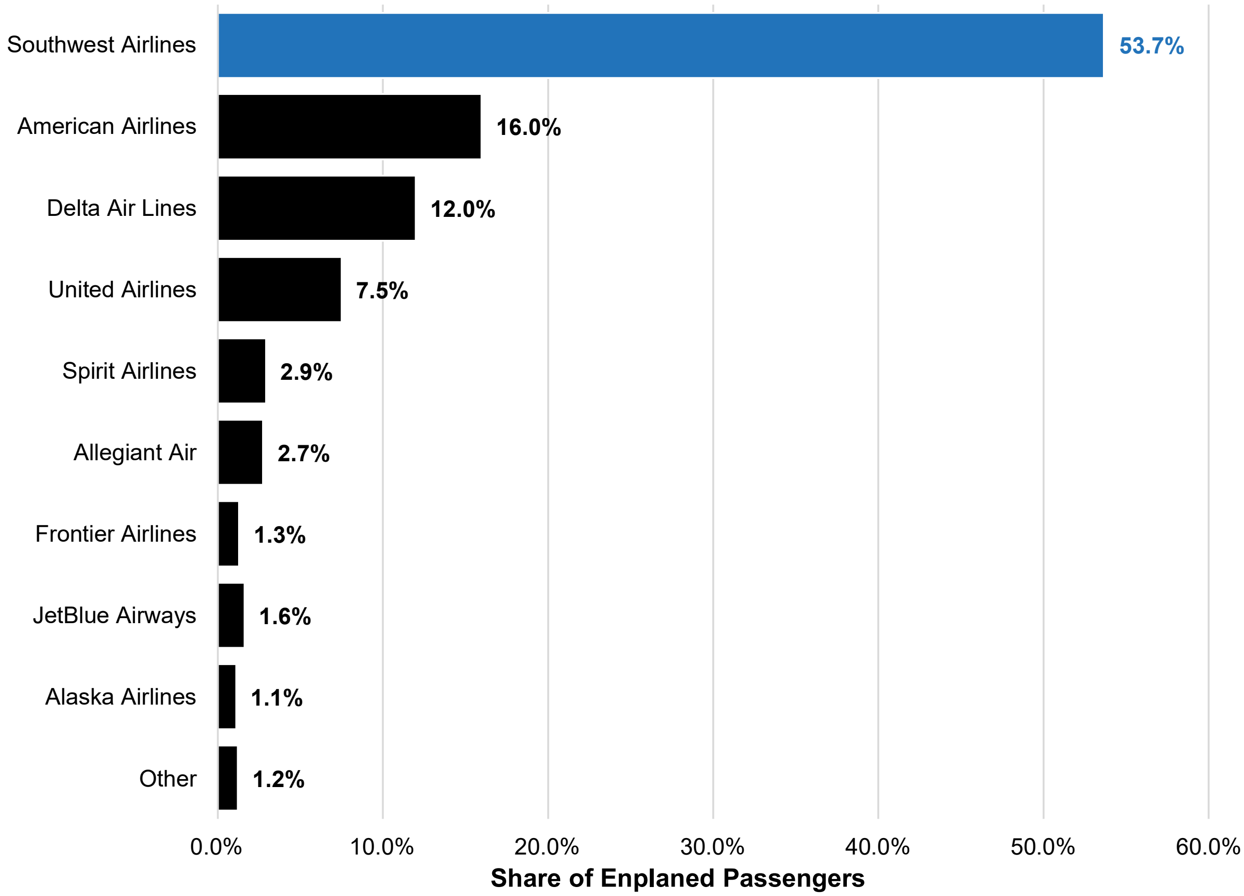


Source: Diio Mi, US DOT Origin and Destination Survey Data, accessed July 2022.

1.1.3 Role for Southwest Airlines

The Airport's largest air carrier, Southwest, operates the Airport as a focus city. Southwest enplaned approximately 4.9 million passengers in FY 2022, accounting for 53.7% of the enplaned passenger market share at the Airport. **Figure 1-4** presents the Airport's enplaned passenger market share by airline for FY 2022.

Figure 1-4 Enplaned Passenger Market Share at the Airport (FY 2022)



Notes: Regional affiliates, as applicable, have been included with their appropriate network partner. Amounts may not add because of rounding.

Source: Metropolitan Nashville Airport Authority, Passenger Activity Report, accessed July 2022.

Southwest generally focuses on serving O&D passenger traffic; however, because of the airline's relative size at the Airport and its somewhat central location within the eastern U.S., it also can be a convenient option for connecting traffic. In FY 2021, approximately 26.4% of Southwest's passenger traffic was connecting and approximately 73.3% was O&D.[10] The Airport was the 8th busiest airport in terms of daily departures and seating capacity in Southwest's system in FY 2022. In CY 2019, Southwest operated more than 4,000 flights a day during peak travel seasons, serving 103 destinations across the United States and 10 additional countries.[11] Southwest's traffic impact on the Airport is further analyzed in Chapter 2 of this Report.

10 Metropolitan Nashville Airport Authority, Passenger Activity Report.

11 Southwest Airlines, Southwest Corporate Fact Sheet.

1.2 Socioeconomic Base for Air Travel

Air travel demand is largely correlated with a region's demographic and economic characteristics. The economic strength of the Air Service Area has a major impact on the aviation activity at the Airport since most of the Airport's passenger demand is O&D activity. The next sections review current economic trends and conditions in the Airport's Air Service Area and present data indicating the Air Service Area's capability to generate a growing demand for air transportation throughout the next several years.

1.2.1 Socioeconomic Trends

Data for population, age distribution, educational attainment, income, and gross regional product for the Air Service Area are discussed below. Parallel data for Tennessee and the United States are also shown to provide a basis of comparison for trends in the Air Service Area. Where available, data for the 2011-2021 period are included, representing the most recent 10 years of historical data available. Where available, projected data will be presented through 2031 to be consistent with air traffic and financial forecasts presented later in this Report.

1.2.1.1 Historical and Projected Population

Population is a significant source of demand for air travel. **Table 1-2** includes 2011 and 2021 population data and provides population trends in the Air Service Area, Tennessee, and the U.S. during this period. Data projections for 2031 are also included. Between 2011 and 2021, the population in the Air Service Area increased by 19.9% from approximately 1.7 million to 2.0 million persons. During the same period, Tennessee's population increased by 8.9% and the U.S. population increased by 6.4%.

Table 1-2 Historical and Projected Population (2011-2031)

	Population (in thousands)			Percent Change	CAGR[1]	
	Historical		Forecast			
Region	2011	2021	2031	2011-21	2011-2021	2021-2031
Air Service Area	1,678	2,012	2,286	19.9%	1.8%	1.3%
Tennessee	6,404	6,975	7,495	8.9%	0.9%	0.7%
United States	311,785	331,894	354,252	6.4%	0.6%	0.7%

[1] Compound annual growth rate.
Source: Woods & Poole Economics, Inc., *Complete Economic and Demographic Data Source*, June 2022.
Compiled by Partners for Economic Solutions, August 2022

The Air Service Area added approximately 334,000 persons to its population between 2011 and 2021 (or approximately 33,000 per year). The Air Service Area's population between 2011 and 2021 increased at a compound annual growth rate (CAGR) of 1.8%—higher than that of both Tennessee (0.9%) and the U.S. (0.6%).

Nashville surpassed Memphis as the largest city in Tennessee in 2017.[12] In 2021, the Air Service Area accounted for approximately 29% of Tennessee's population. The Air Service Area's projected population increase for the period 2021-2031 reflects a CAGR of 1.3% and is higher than the projected CAGR for both Tennessee and the U.S. during the same period (0.7% each). The increase in new residents in the Air Service Area (approximately 273,000 between 2021 and 2031) is expected to generate additional demand for air service at the Airport.

1.2.1.2 Age Distribution

Table 1-3 presents 2021 age data for the Air Service Area, Tennessee, and the U.S. The median age in the Air Service Area was 36.4 years in 2021, lower than the median age in Tennessee (38.7 years) and the U.S. (38.2 years). Demand for air travel varies by age group. According to Consumer Expenditure Survey data from the U.S. Bureau of Labor Statistics, persons between the ages of 35 and 54 account for 44% of expenditures on airline fares.[13]

Table 1-3 Age Distribution (2021)

Age Range	Air Service Area	Tennessee	United States
19 and under	25.4%	24.4%	24.6%
20 to 24 years	6.4%	6.3%	6.5%
25 to 34 years	15.3%	14.0%	14.0%
35 to 44 years	14.0%	12.5%	12.9%
45 to 54 years	12.5%	12.4%	12.1%
55 to 64	12.1%	13.0%	12.7%
65 and above	14.3%	17.4%	17.2%
Total	**100.0%**	**100.0%**	**100.0%**
Median Age	*36.4 years*	*38.7 years*	*38.2 years*

Source: Woods & Poole Economics, Inc., *Complete Economic and Demographic Data Source*, June 2022.
Compiled by Partners for Economic Solutions, August 2022

Table 1-3 shows that in 2021, residents in the Air Service Area aged 35 to 54 made up 26.5% of the population, compared with 24.9% of the population in Tennessee, and 25.0% in the U.S. This is the age group that generates the most expenditures on airline fares, and it makes up a higher percentage of the population in the Air Service Area compared to Tennessee and the U.S.

[12] "It's Official: Nashville Now Bigger than Memphis," 25 May 2017, *Nashville Business Journal*, https://www.bizjournals.com/Nashville/news/2017/05/25/it-s-official-nashville-now-bigger-than-memphis.html, accessed August 2022.

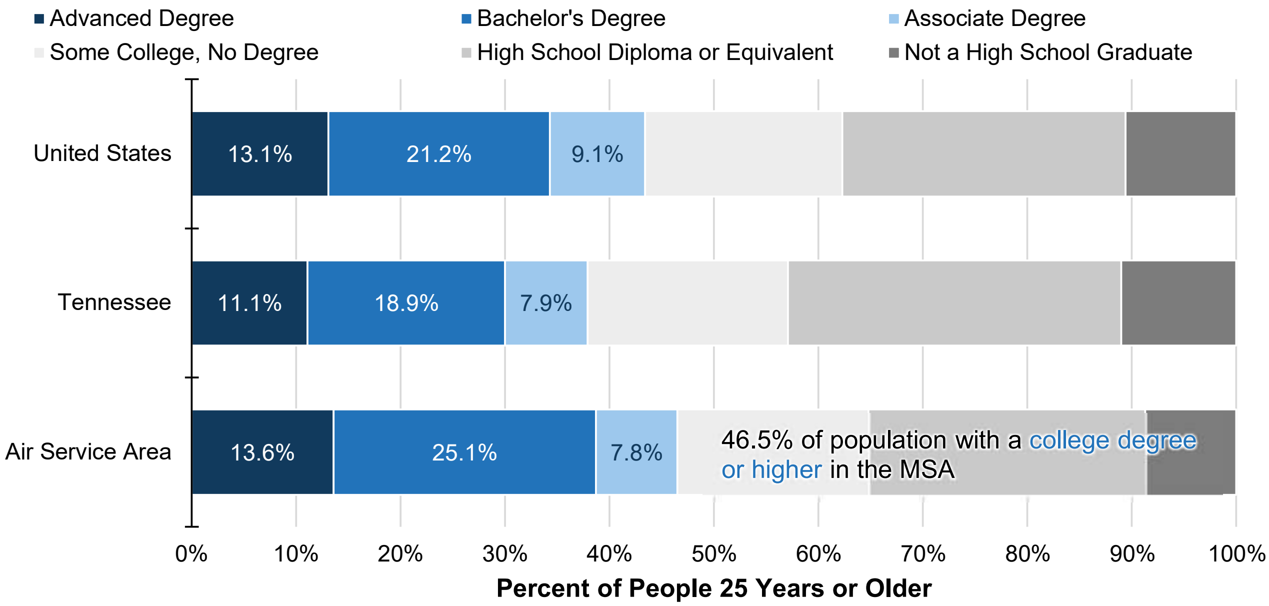
[13] *Who's Buying for Travel*, 12th Edition, 2018, New Strategist Publications. Data in *Who's Buying for Travel* are based on the U.S. Bureau of Labor Statistics' Consumer Expenditure Survey, a nationwide survey of household spending.

1.2.1.3 *Educational Attainment*

Figure 1-5 presents 2021 educational attainment data for the Air Service Area, Tennessee, and the U.S. The launch of the "Tennessee Promise" scholarships in 2015, a nationally recognized program that provides tuition-free attendance at community colleges or technical colleges in Tennessee, has bolstered higher education in the Air Service Area.

According to data shown in Figure 1-5, more than 638,000 people, or more than 46% of the Air Service Area's population over the age of 25, have a post-secondary degree (associate, bachelors, or graduate). This percentage is higher than that of both Tennessee and the U.S. where, respectively, 37.9% and 43.4% of the population over the age of 25 has a post-secondary degree.

Figure 1-5 Educational Attainment (2021)



Note: Calculations of 2021 education data are based on 2019 and 2022 forecasts from Esri.
Sources: Woods & Poole Economics, Inc., *Complete Economic* and *Demographic Data Source*, June 2022; Esri Market Profiles for Air Service Area, Tennessee, and U.S., August 2022.
Compiled by Partners for Economic Solutions, August 2022

According to Consumer Expenditure Survey data from the U.S. Bureau of Labor Statistics, persons with a college degree generate a high percentage of expenditures on air travel.[14] Data indicate that 74% of airline fares are purchased by college graduates, while 18% of airline fares are purchased by consumers who have had some college or have earned an associate degree; the remaining 8% percent of airline fares are purchased by consumers who never attended college.

[14] *Who's Buying for Travel*, 12th Edition, 2018, New Strategist Publications.

In addition to having a highly educated population, the Air Service Area is also home to 20 colleges, universities, post-graduate institutions, accredited tech schools, and two-year community colleges with total enrollment of approximately 123,000 students. An estimated 60% of these students choose to remain in the Air Service Area after graduation.[15] The Air Service Area's colleges and universities generate demand for airline service through academic meetings and conferences, visiting professorships, study abroad programs, and individual student and faculty travel.

1.2.1.4 Household Income

Figure 1-6 provides 2021 and 2031 median household income data for the Air Service Area, Tennessee, and the U.S. The Air Service Area's estimated 2021 median household income was higher than that of both Tennessee and the U.S. Figure 1-6 shows that in 2021, the Air Service Area's median household income of $74,390 was 26.7% above Tennessee's ($58,695) and 6.0% higher than that of the U.S. ($70,153). Forecasts suggest that this trend is expected to continue as the Air Service Area is expected to reach a median household income level of $100,141 in 2031, compared to $85,941 in Tennessee and $95,494 in the U.S. Because Tennessee has no state income tax, and the second lowest state and local tax burden per capita in the U.S.,[16] median household income in the Air Service Area has greater consumer buying power compared to other large metropolitan regions in the U.S.

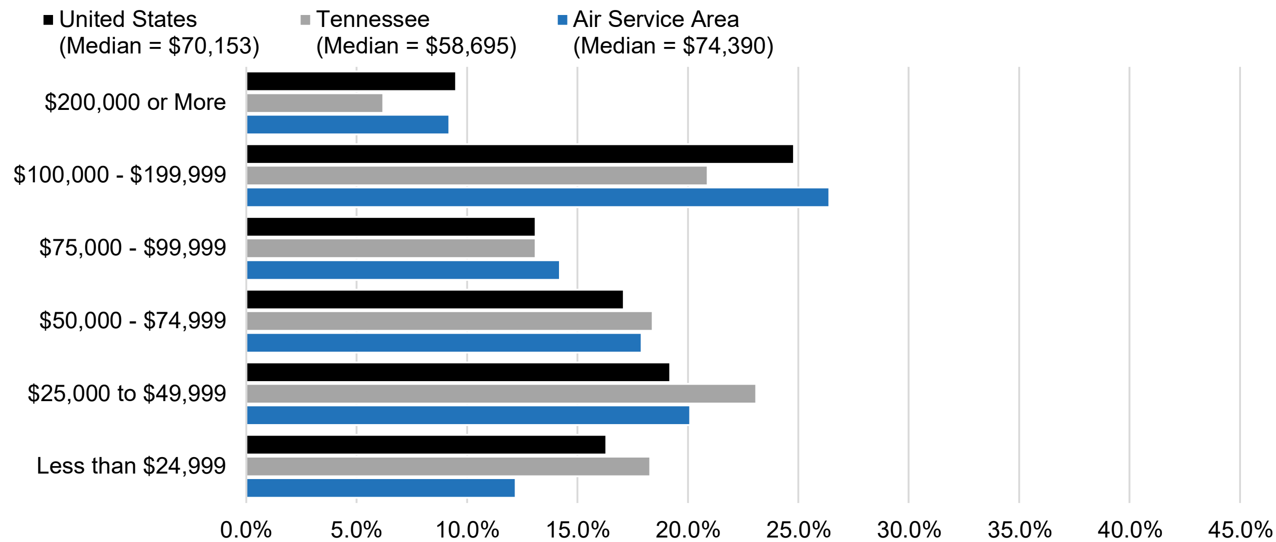
The percentage of higher income households (defined as those earning $100,000 or more annually) within the Air Service Area is another key indicator of potential demand for air travel services. In 2021, approximately 288,000 Air Service Area households had an income of $100,000 or more. This is equal to approximately 35% of all Air Service Area households. According to Consumer Expenditure Survey data from the U.S. Bureau of Labor Statistics, 55% of airline fare expenditures are made by households with annual income of $100,000 or more. As shown in **Table 1-4,** the number of households with income greater than $100,000 in the Air Service Area is projected to increase by approximately 178,000 between 2021 and 2031, representing a CAGR of 4.9%, lower than the CAGR in Tennessee (5.0%) and higher than the CAGR in the U.S. (3.9%).

[15] 2022 Nashville Regional Economic Development Guide, June 2022, Nashville Area Chamber of Commerce, https://www.nashvillechamber.com/economic-development/data-reports/resources-brochures, accessed August 2022.

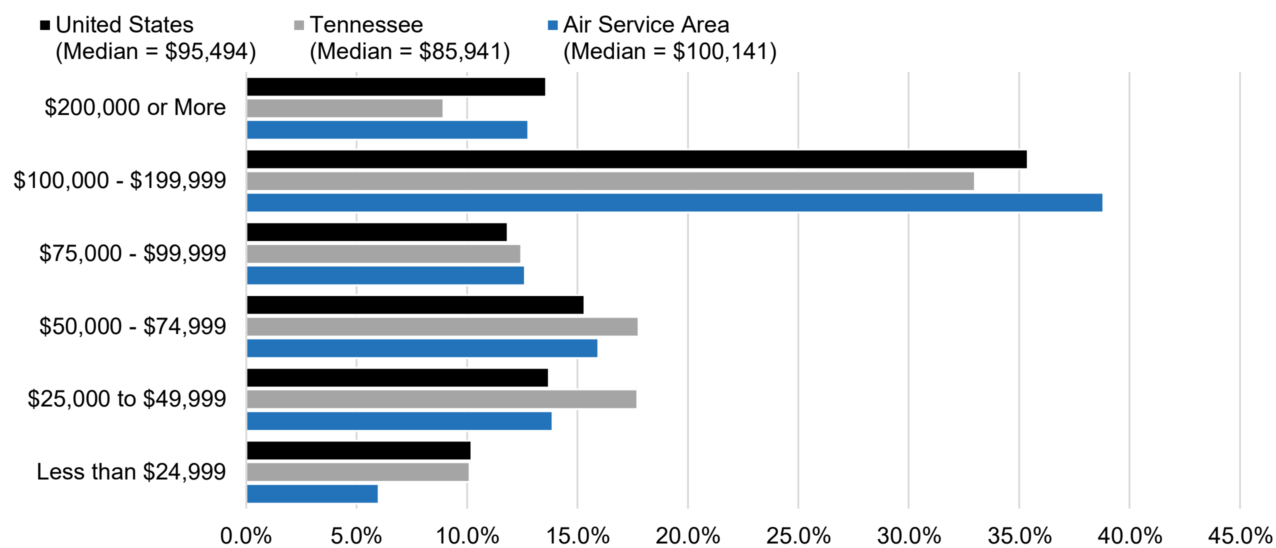
[16] Taxes & Incentives, Nashville Area Chamber of Commerce, https://www.nashvillechamber.com/economic-development/relocate-or-expand/taxes-incentives, accessed August 2022.

Figure 1-6 Median Household Income and Income Distribution (2021 and 2031)

2021



2031



Notes: Amounts are shown in current dollars, i.e., 2021 data are shown in 2021 dollars and 2031 data are shown in 2031 dollars. Calculations of 2021 and 2031 median income and household income distribution are based on 2022 and 2027 forecasts from Esri and assume nominal annual growth rates of 3.0% (ASA), 3.9% (Tennessee), and 3.1% (U.S.).

Source: Esri Market Profiles for Air Service Area, Tennessee, and U.S., August 2022.

Compiled by Partners for Economic Solutions, August 2022

Table 1-4 Households with Income of $100,000 and Above (2021-2031)

	Households (In Thousands)						Share of Households with Income $100K+	
	Total			Income $100K+ [2]				
Region	2021	2031	2021-31 CAGR[1]	2021	2031	2021-31 CAGR[1]	2021	2031
Air Service Area	809	904	1.1%	288	466	4.9%	35.6%	51.6%
Tennessee	2,786	2,944	0.6%	755	1,234	5.0%	27.1%	41.9%
United States	128,261	132,269	0.3%	43,994	64,774	3.9%	34.3%	49.0%

[1] Compound annual growth rate.
[2] In current dollars.
Note: Calculations of 2021 and 2031 data are based on 2022 and 2027 forecasts from Esri.
Source: Esri Market Profiles for Air Service Area, Tennessee, and U.S., August 2022.
Compiled by Partners for Economic Solutions, August 2022

1.2.1.5 Per Capita Personal Income

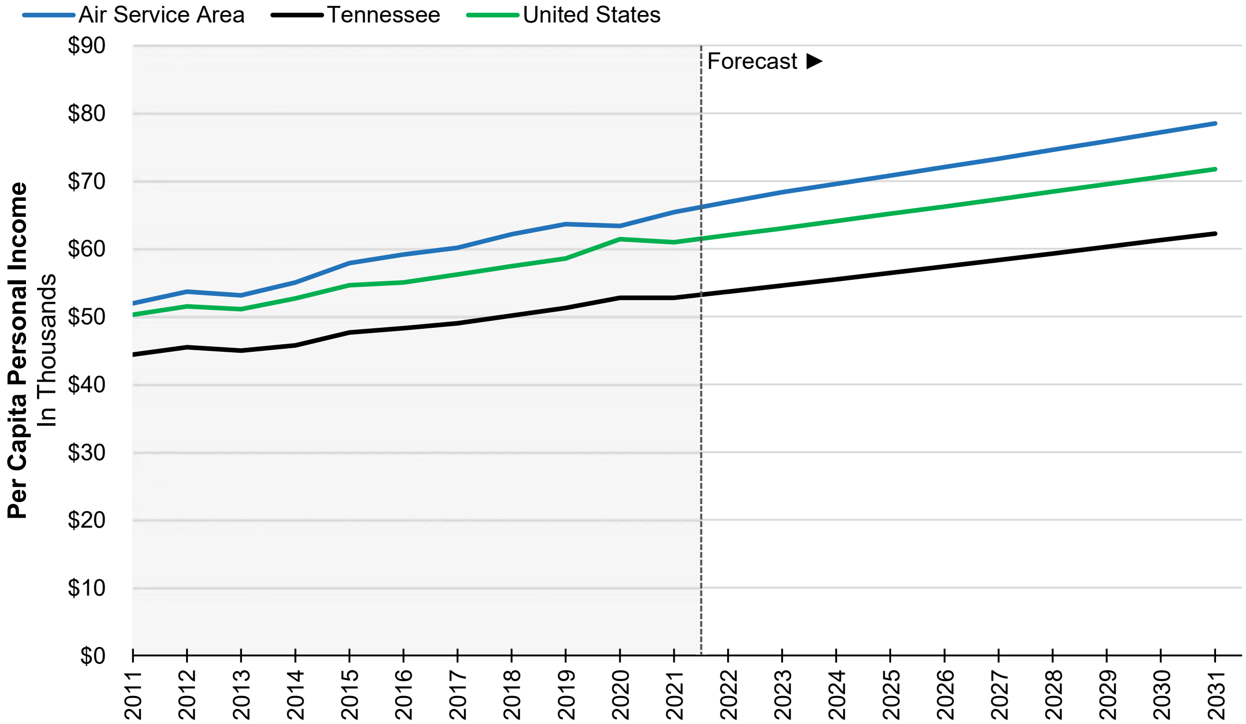
Personal income is a key indicator of a region's demand for air travel and includes the sum of wages and salaries, other labor income, proprietors' income, rental income of persons, dividend income, personal interest income, and transfer payments, less personal contributions for government social insurance. Per capita personal income is a measure of the relative affluence of a region's residents and, consequently, of their ability to afford air travel.

Figure 1-7 shows annual per capita personal income between 2011 and 2021 for the Air Service Area, Tennessee, and the U.S. From 2011 to 2021, per capita personal income in the Air Service Area was higher than that of Tennessee by an average of 21.1%. Per capita personal income in the Air Service Area was above that of the U.S. by an average of 5.8% between 2011 and 2021.

Per capita personal income in the Air Service Area increased at a CAGR of 2.3% between 2011 and 2021, higher than the CAGR of Tennessee and the U.S. (1.7% and 1.9%, respectively).

Projections for 2031 in Table 1-6 show that per capita personal income in the Air Service Area is expected to increase from $65,403 in 2021 to $78,503 in 2031. This increase represents a CAGR of 1.8% and is above the CAGR for Tennessee (1.7%) and the U.S. (1.6%) between 2021 and 2031.

Figure 1-7 Historical and Projected Per Capita Personal Income (2011-2031)



Source: Woods & Poole Economics, Inc., *Complete Economic and Demographic Data Source*, June 2022.
Compiled by Partners for Economic Solutions, August 2022

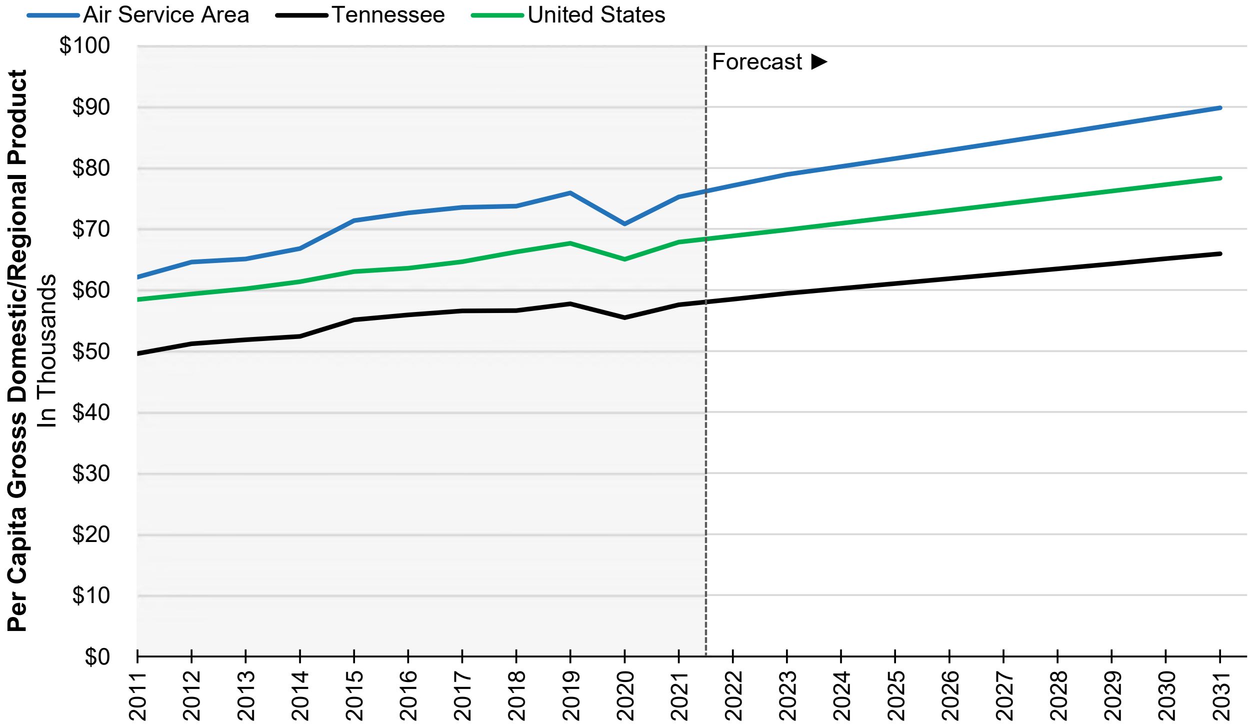
1.2.1.6 Per Capita Gross Regional Product / Gross Domestic Product

Per capita gross domestic product (national level) and per capita gross regional product (state- and county-level) are measures of the value of all final goods and services produced within a geographic area, divided by the total population. These per capita measures are general indicators of the economic health of a geographic area and, consequently, of the area's potential demand for air transportation services.

Figure 1-8 shows the per capita gross regional product for the Air Service Area and Tennessee, and per capita gross domestic product data for the U.S. from 2011 through 2021. Figure 1-8 shows that the Air Service Area's per capita gross regional product increased from $62,137 in 2011 to $75,274 in 2021. Table 1-8 also indicates that per capita gross regional product in the Air Service Area increased at a CAGR of 1.9% between 2011 and 2021, a rate that was higher than that of both Tennessee and the U.S. during the same period (1.5% each).

Per capita gross regional product in the Air Service Area is projected to increase from $75,274 in 2021 to $89,878 in 2031. This increase represents a CAGR of 1.8% in the Air Service Area and is higher than the CAGR of both Tennessee and the U.S. (1.4% each).

Figure 1-8 Historical and Projected Per Capita Gross Regional and Gross Domestic Product (2011-2031)



Source: Woods & Poole Economics, Inc., *Complete Economic and Demographic Data Source*, June 2022. Compiled by Partners for Economic Solutions, August 2022

1.2.2 Labor Market Trends

Civilian labor force data, unemployment rates, and employment by industry data for the Air Service Area are discussed below. Parallel data for Tennessee and the U.S. are also shown to provide a basis of comparison for trends in the Air Service Area.

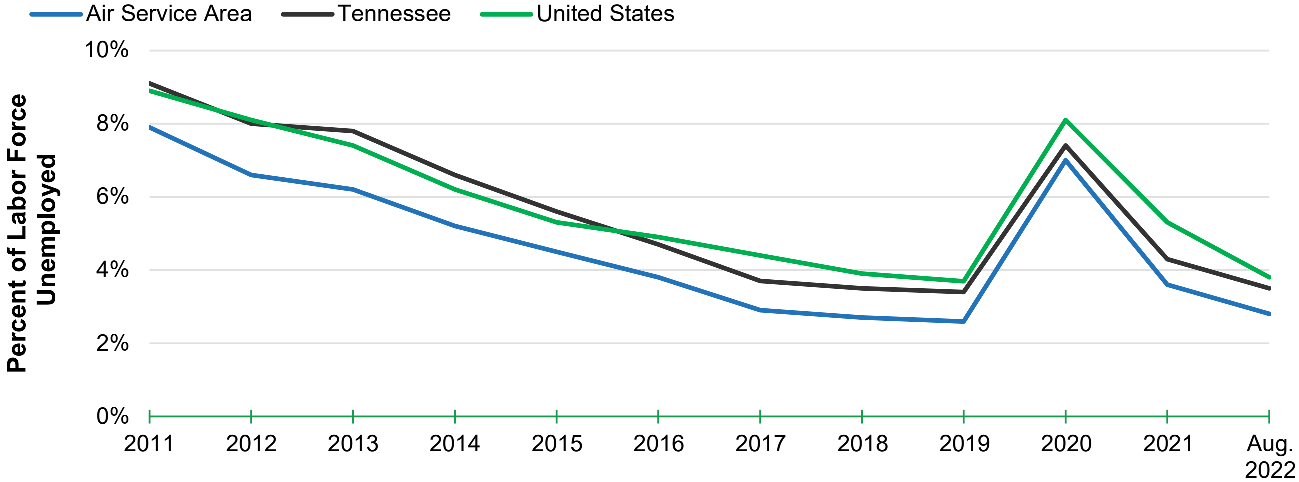
1.2.2.1 Labor Force and Unemployment Trends

Table 1-5 presents annual civilian labor force and unemployment data from 2011 through 2021 for the Air Service Area, Tennessee, and the U.S. Between 2011 and 2021, the Air Service Area labor force grew at a CAGR of 2.0%—significantly higher than the CAGR of Tennessee (0.7%), and the U.S. (0.5%). In absolute terms, the labor force in the Air Service Area increased by approximately 206,000 workers between 2011 and 2021.

The Air Service Area's annual unemployment rate was below that of both Tennessee and the U.S. in all years from 2011 through 2021. As shown in Table 1-9, the unemployment rate in the Air Service Area was 2.8% (non-seasonally adjusted) in August 2022.[17] The Air Service Area's August 2022 unemployment rate was lower than the non-seasonally adjusted rate in Tennessee (3.5%) and the U.S. (3.8%).[18]

[17] Monthly civilian labor force data published for the Air Service Area are not seasonally adjusted.
[18] In August 2022 the seasonally adjusted unemployment rate was 3.4% in Tennessee and 3.7% in the U.S.

Table 1-5 Civilian Labor Force and Unemployment Rate (2011-August 2022)



	Civilian Labor Force (In Thousands)			Unemployment Rate		
Year	Air Service Area	Tennessee	United States	Air Service Area	Tennessee	United States
2011	894	3,117	153,617	7.9%	9.1%	8.9%
2012	900	3,096	154,975	6.6%	8.0%	8.1%
2013	909	3,079	155,389	6.2%	7.8%	7.4%
2014	917	3,044	155,922	5.2%	6.6%	6.2%
2015	941	3,074	157,130	4.5%	5.6%	5.3%
2016	975	3,136	159,187	3.8%	4.7%	4.9%
2017	1,013	3,197	160,320	2.9%	3.7%	4.4%
2018	1,051	3,261	162,075	2.7%	3.5%	3.9%
2019	1,089	3,340	163,539	2.6%	3.4%	3.7%
2020	1,076	3,299	160,742	7.0%	7.4%	8.1%
2021	1,098	3,328	161,204	3.6%	4.3%	5.3%
Aug. 2022[1]	1,126	3,354	164,971	2.8%	3.5%	3.8%
Range	Compound Annual Growth Rate					
2011 - 2021	2.0%	0.7%	0.5%			

[1] August 2022 data are not seasonally adjusted. In August 2022, the seasonally adjusted unemployment rate was 3.4% in Tennessee and 3.7% in the U.S. Seasonally adjusted civilian labor force data are not available for the Air Service Area.
Source: Bureau of Labor Statistics, U.S. Department of Labor; September 2022.
Compiled by Partners for Economic Solutions, September 2022

1.2.2.2 Employment by Industry

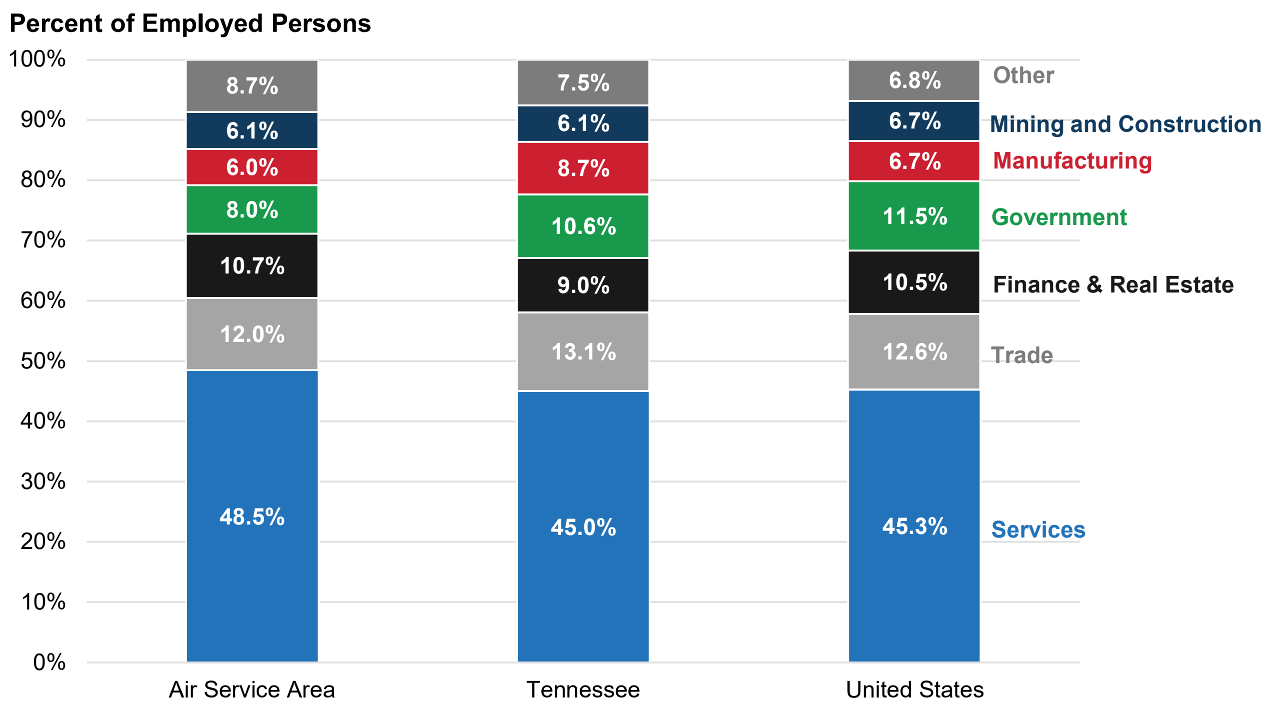
Table 1-6 presents the percentage of jobs by major industry sector in the Air Service Area, Tennessee, and the U.S. in 2011, 2021, and 2031. Non-agricultural employment in the Air Service Area increased from approximately 1.0 million jobs in 2011 to 1.4 million jobs in 2021. **Figure 1-9** and Table 1-8 show that the majority of Air Service Area jobs in 2021 were in the service sector (48.5%), followed by wholesale/retail trade (12.0%), finance/insurance/real estate (10.7%), government (8.0%), manufacturing (6.0%), construction (6.1%), transportation/utilities (6.5%), and information (2.2%).

Compared to the U.S. overall, in 2021 the Air Service Area had an equal or higher percentage of jobs in services, finance/insurance/real estate, transportation/utilities, and information. In all other sectors (wholesale/retail trade, government, manufacturing, and construction) the Air Service Area had a lower proportion of employment compared to the U.S. in 2021.

Between 2021 and 2031, approximately 348,000 new jobs are expected to be added to the Air Service Area economy. The greatest job gains are projected in services, finance/insurance/real estate, and transportation/utilities.

The Air Service Area has a diversified employment base that is expected to provide the region with significant support for increased air travel demand and with a foundation for recovery following periodic downturns in the business cycle.

Figure 1-9 Employment by Industry (2021)



Source: Woods & Poole Economics, Inc., *Complete Economic and Demographic Data Source*, June 2022.
Compiled by Partners for Economic Solutions, August 2022

Table 1-6 Historical and Projected Employment by Industry (2011-2031)

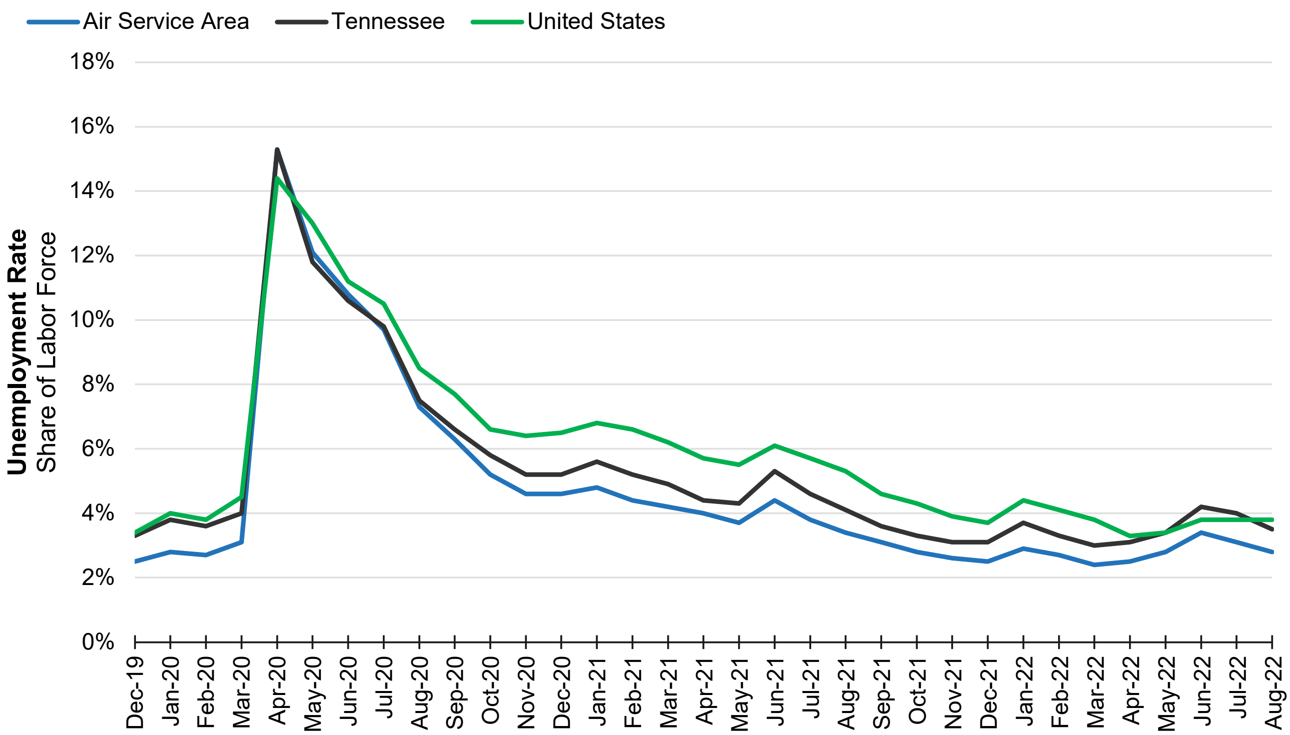
	Air Service Area			Tennessee			United States		
Industry[1]	2011	2021	2031	2011	2021	2031	2011	2021	2031
Total Jobs	1,037,200	1,412,448	1,760,629	3,491,420	4,108,564	4,761,000	171,371,719	197,119,425	230,205,037
Industry	Share of Jobs								
Services	46.2%	48.5%	52.7%	42.8%	45.0%	49.0%	43.6%	45.3%	48.1%
Wholesale/Retail Trade	14.8%	12.0%	10.3%	14.8%	13.1%	11.7%	14.1%	12.6%	11.5%
Fin/Ins/Real Estate	10.1%	10.7%	11.1%	8.5%	9.0%	9.5%	10.3%	10.5%	11.3%
Government	10.3%	8.0%	6.9%	12.4%	10.6%	9.4%	13.0%	11.5%	10.3%
Manufacturing	6.6%	6.0%	4.9%	9.1%	8.7%	7.5%	7.2%	6.7%	5.8%
Construction2	5.8%	6.1%	5.2%	6.1%	6.1%	5.4%	6.3%	6.7%	6.1%
Transportation/Utilities	3.9%	6.5%	6.9%	4.8%	6.2%	6.2%	3.6%	5.1%	5.3%
Information	2.4%	2.2%	1.9%	1.6%	1.4%	1.2%	1.9%	1.7%	1.5%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

[1] Non-agricultural employment only.
[2] Includes mining and forestry employment.
Source: Woods & Poole Economics, Inc., *Complete Economic and Demographic Data Source*, June 2022.
Compiled by Partners for Economic Solutions, August 2022

1.2.2.3 Unemployment Recovery Following the Impacts of COVID-19

The 2020 unemployment rate peaked in April 2020 in response to the COVID-19 pandemic and the shutdown of most sectors of the U.S. economy. **Figure 1-10** shows that the Air Service Area's unemployment rate decreased by 12.8 percentage points from a high of 15.6% in April 2020 to 2.8% in August 2022 (non-seasonally adjusted) as the economy re-opened and employees returned to work. Tennessee's non-seasonally adjusted unemployment rate of 3.5% in August 2022 was 11.8 percentage points below its peak non-seasonally adjusted unemployment rate of 15.3% in April 2020. Overall U.S. unemployment recovered by 10.6 percentage points from a high of 14.4% in April 2020 to 3.8% in August 2022 (non-seasonally adjusted).

Figure 1-10 Unemployment Rates (December 2019 – August 2022)

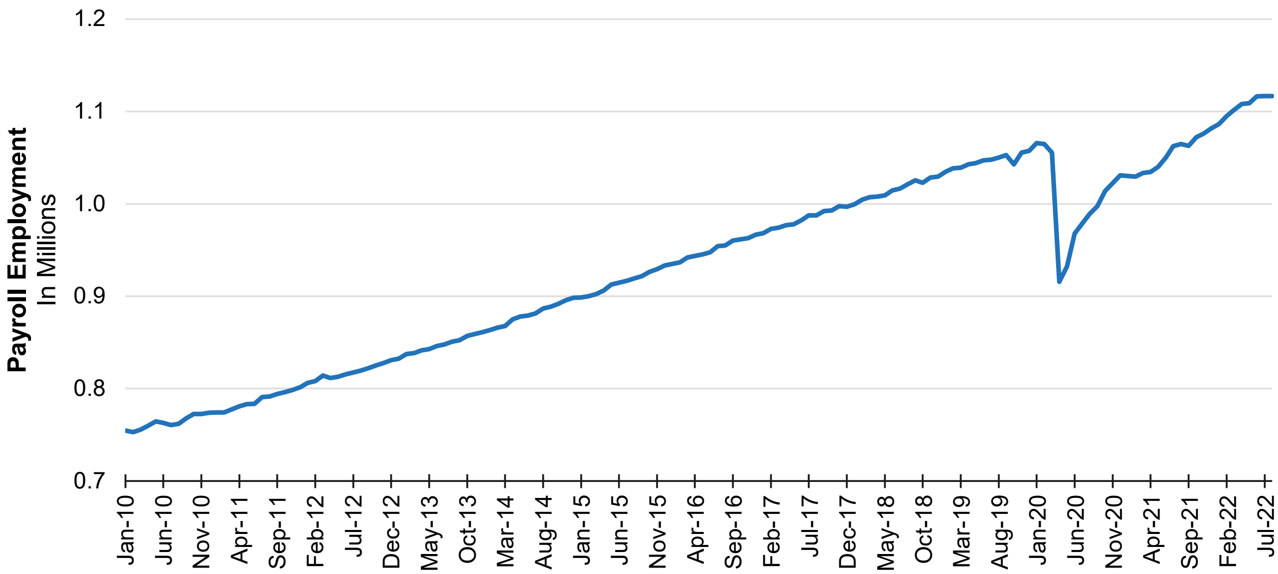


Note: Not seasonally adjusted.
Source: U.S. Department of Commerce, Bureau of Labor Statistics, September 2022.
Compiled by Partners for Economic Solutions, September 2022

1.2.2.4 Payroll Employment Recovery

While industries such as leisure/hospitality, education, services, and retail trade experienced significant and rapid job losses in 2020, employment in the Air Service Area recovered considerably in 2021. **Figure 1-11** shows that total non-farm payroll employment in the Air Service Area dropped from a 10-year annual high in 2019 to a record loss of approximately 130,000 jobs by April 2020. However, the Air Service Area completely recovered this job loss by June 2021, and then added 66,700 jobs between June 2021 and August 2022. The Air Service Area economy gained a total of 201,200 jobs between April 2020 and August 2022.

Figure 1-11 Total Air Service Area Non-Farm Payroll Employment (January 2010 - August 2022)



Note: Total nonfarm employment of workers on payrolls, seasonally adjusted.
Source: U.S. Department of Commerce, Bureau of Labor Statistics, Current Employment Statistics, State and Area Employment, September 2022.
Compiled by Partners for Economic Solutions, September 2022

1.2.3 Regional Economic Profile

This section discusses the Air Service Area's business climate, major employers, business attraction and retention initiatives, tourism industry, and convention business.

1.2.3.1 Business Climate

The positive business climate in the Air Service Area is supported by a favorable tax structure, affordable operating costs, skilled workforce, and recent legislation supporting apprenticeship programs and investment in infrastructure.[19] With no state income tax on wages, and low excise and franchise tax rates, Tennessee has the second lowest state and local tax burden per capita in the U.S.[20]

Incentives available to new and expanding businesses in the Air Service Area include job training grants and infrastructure improvement grants for water, sewer, rail, gas, electricity, roadways, and telecommunications. Other incentives include: export assistance, job tax credits, industrial machinery tax credits, and sales and use tax exemptions.[21]

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19 2021 Legislative Scorecard, Nashville Area Chamber of Commerce, https://www.nashvillechamber.com/landing-pages/2021-legislative-scorecard, accessed August 2022.

20 Taxes & Incentives, Nashville Area Chamber of Commerce, https://www.nashvillechamber.com/economic-development/relocate-or-expand/taxes-incentives, accessed August 2022.

21 Incentives and Grants, Tennessee Department of Economic and Community Development, https://tnecd.com/advantages/incentives-grants, accessed August 2022.

As a result of these proactive economic development initiatives, the Air Service Area's business-friendly environment is frequently cited by publications such as *Forbes*, *Site Selection* magazine, *Business Facilities* magazine, *INC.* magazine, *U.S. News & World Report*, *Money* magazine, and others.[22]

1.2.3.2 Major Employers

Fortune magazine publishes a yearly list of the top one thousand publicly traded companies in the U.S., ranked by annual revenue. **Table 1-7** shows that among the 13 Fortune 1000 corporations headquartered in the Air Service Area are firms such as HCA Healthcare (ranked 62nd); Dollar General (106th); Tractor Supply (294th); Yellow (591st); Louisiana-Pacific (645th); Cracker Barrel Old Country Store (871st); and Brookdale Senior Living (891st). The 13 Fortune 1000 companies headquartered in the Air Service Area have 693,700 worldwide employees and combined revenue of approximately $154 billion annually.

Table 1-7 Air Service Area Fortune 1000 Company Headquarters (2022)[1]

Company	Industry	Headquarters Location	Fortune 1000 Rank	2021 Revenue ($ billions)	Worldwide Employees
HCA Healthcare	Healthcare	Nashville	62	$58.8	244,000
Dollar General	Retail	Goodlettsville	106	$34.2	163,000
Tractor Supply	Retail	Brentwood	294	$12.7	34,000
Community Health Systems	Healthcare	Franklin	304	$12.4	58,500
Delek U.S. Holdings	Petroleum Refining	Brentwood	346	$10.6	3,300
Yellow	Transportation	Nashville	591	$5.1	32,000
Louisiana-Pacific	Wood Products	Nashville	645	$4.6	4,800
Change Healthcare	Healthcare	Nashville	815	$3.1	15,000
Cracker Barrel Old Country Store	Restaurant	Lebanon	871	$2.8	70,000
Brookdale Senior Living	Healthcare	Brentwood	891	$2.8	28,600
Genesco	Retail	Nashville	931	$2.4	11,700
Acadia Healthcare	Healthcare	Franklin	944	$2.4	19,200
Surgery Partners	Healthcare	Brentwood	976	$2.2	9,600

[1] Based on 2021 revenue.
Source: Fortune 1000 Companies in Tennessee, https://fortune.com/fortune500/2022, accessed August 2022.
Compiled by Partners for Economic Solutions, August 2022

[22] Rankings, Nashville Area Chamber of Commerce, https://www.nashvillechamber.com/rankings, accessed August 2022.

Other major employers in the Air Service Area are shown in **Table 1-8**. These companies and institutions represent a variety of industries including: health care (Vanderbilt University Medical Center, HCA Healthcare Inc., Community Health Systems, UnitedHealthcare); education (Vanderbilt University, Middle Tennessee State University); automotive (Nissan North America, Bridgestone Americas); appliances (Electrolux Home Products); human resources services (Randstad); retail (Amazon, Walgreens, Dollar General); restaurants (Cracker Barrel Old Country Store, Shoney's); telecommunications (AT&T Inc.); and insurance (Asurion). In addition to contributing to the Air Service Area's diverse economic base, the region's top employers depend on air passenger and freight service for the continued health and expansion of their business enterprises.

Healthcare Industry

The healthcare industry plays a central role in the Air Service Area's economy. A recent study prepared for the Nashville Health Care Council found that in 2021 the Air Service Area was home to more than 900 health care companies. In terms of economic impact, the health care industry contributes an overall economic benefit of $66.8 billion and approximately 328,000 jobs to the Air Service Area's economy annually.[23] The Nashville Health Care Council also reports that the Air Service Area's 16 publicly traded health care companies employ more than 463,000 people globally. These 16 companies have combined annual revenue of approximately $75.6 billion and represent diverse sub-sectors such as behavioral health, hospital management, health information technology, and clinical providers (ambulatory services, hospitals, nursing and residential care facilities).[24]

Founded in 1874, Vanderbilt University Medical Center (VUMC) is a 12 million square-foot, award-winning teaching hospital that ranked among the top 20 hospitals in the U.S. in 2021 by the *U.S. News & World Report* Best Hospitals Honor Roll. The 2021 Honor Roll also named VUMC the No. 1 Children's Hospital in the Southeast, and the No. 1 hospital in Tennessee.[25] VUMC is the anchor facility of Vanderbilt Health, a regional health system with seven hospitals (1,600 beds total), and hundreds of clinics in Tennessee and nearby states. With 2.6 million patient-visits annually, 70,000 surgical procedures, 130,000 emergency room visits, 2,000 physicians, and 1,000 resident physicians in training, Vanderbilt Health is one of the largest academic medical centers and health systems in the Southeast.[26]

In 2021, VUMC and Vanderbilt University received a total of $1 billion in research funding from the National Institutes of Health, the National Science Foundation, the Department of Defense, the Department of Education, the Centers for Disease Control and Prevention, and others. These grants and awards support numerous research projects ranging from biomolecular imaging, human antibody therapeutics, and targeted drug delivery for oncology patients, to a landmark study of genetic, environmental and lifestyle factors affecting the health of approximately one million research subjects.[27]

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23 2020-2021 Annual Report, October 2021, Nashville Health Care Council, https://healthcarecouncil.com/news-resources/annual-report, accessed August 2022.

24 Publicly Traded Health Care Companies, Nashville Health Care Council, https://healthcarecouncil.com/nashville-health-care-industry/industry-research/public-health-care-companies, accessed August 2022.

25 Honor Roll, U.S. News & World Report Best Hospitals 2022-2023, https://health.usnews.com/best-hospitals/area/tn/vanderbilt-university-medical-center-6521060, accessed August 2022.

26 About Vanderbilt University Medical Center, https://www.vumc.org/about, accessed August 2022.

27 "Vanderbilt University, Medical Center Reach $1B Milestone Together in Research Funding," 5 April 2022, Vanderbilt University Research News, https://news.vanderbilt.edu/2022/04/05/vanderbilt-university-medical-center-reach-1b-milestone-together-in-research-funding, accessed August 2022.

Table 1-8 Top 25 Air Service Area Employers

Company	Industry	Local Employees
Vanderbilt University Medical Center	Healthcare	24,039
Nissan North America	Automotive	11,000
HCA Healthcare Inc. (#62)[1]	Healthcare	10,600
Vanderbilt University	Education	9,107
Saint Thomas Health	Healthcare	8,335
Randstad	Human Resources Services	4,550
Asurion	Insurance	4,400
Amazon	Online Services and Retail	4,000
Community Health Systems (#304)[1]	Healthcare	3,925
General Motors	Automotive	3,800
Bridgestone Americas	Automotive	3,430
Electrolux Home Products	Appliances	3,400
Cracker Barrel Old Country Store (#871)[1]	Restaurant	3,389
National HealthCare Corp.	Healthcare	3,028
Shoney's	Restaurant	3,000
Walgreens	Retail	2,715
Dollar General Corp. (#66)[1]	Retail	2,671
Gaylord Opryland Resort	Hospitality	2,500
A.O. Smith Corp.	Water Heater Manufacturing	2,327
AT&T Inc.	Telecommunications	2,250
GEODIS	Logistics	2,045
Middle Tennessee State University	Education	2,044
Ingram Content Group Inc.	Digital Publishing	1,981
UnitedHealthcare	Healthcare	1,980
Tyson Foods	Food Processing	1,961

[1] Number indicates ranking within 2022 Fortune 1000.
Source: Major Employers, Nashville Chamber of Commerce, https://www.nashvillechamber.com/explore/work/major-employers, accessed August 2022.
Compiled by Partners for Economic Solutions, August 2022

Music Industry

With 5,000 professional musicians and 190 recording studios,[28] the concentration of musicians and music businesses in the Air Service Area is the highest in the nation. The Air Service Area has generated creative talent since the 1930s and is home to many top musicians, songwriters, and actors such as Taylor Swift, Tim McGraw, Faith Hill, Justin Timberlake, Jack White, Sheryl Crow, The Black Keys, Paramore, Kings of Leon, Keith Urban, Nicole Kidman, and Reese Witherspoon, among others.

Music and entertainment associations with headquarters in the Air Service Area include Americana Music Association, Academy of Country Music, Barbershop Harmony Society, Country Music Association, Country Radio Broadcasters, Gospel Music Association, International Bluegrass Music Association, National Museum of African American Music, Nashville Songwriters Association International, and SESAC (Society of European Stage Authors and Composers).[29]

Leading music and entertainment employers in the Air Service Area include ASCAP (American Society of Composers, Authors and Publishers), Apple Music, Big Machine Records, Billboard, BMG/BBR Music Group, BMI, Creative Artists Agency, Capitol Records, CMT (Country Music Television), Country Music Hall of Fame & Museum, Curb Records, GAC (Great American Country TV), Gibson Guitar Corporation, LiveNation, Musicians Hall of Fame & Museum, Ryman Hospitality Properties, SESAC, Sony Entertainment, Sony/ATV Music Publishing, St. Jude Country Cares, Third Man Records, Universal Music Group, Vector Management, Viacom, Warner Music Nashville, and William Morris Endeavor.[30]

Nashville's diverse music and entertainment industry account for approximately 81,000 jobs in the region and contribute approximately $15.6 billion to the Air Service Economy.[31] With London, New York, and Los Angeles, Nashville is among the top four global locations for the music industry. Travel requirements for industry executives, performers, and support staff are an important source of demand for air service at the Airport.

1.2.3.3 Business Attraction and Retention

Business attraction and retention initiatives in the Air Service Area are led by the Mayor's Office of Economic and Community Development and the Nashville Area Chamber of Commerce. Services include job training assistance, job grants for small businesses, incentives for improvements to historical buildings and blighted properties for commercial use, tax increment financing, property tax reduction for projects involving large capital investment, fast track permitting, and one-stop assistance to expedite regulatory processes for existing and relocating businesses.[32] In addition, the Tennessee Department of Economic and Community Development assists local agencies to recruit new businesses to the state, support existing companies, and improve economic opportunities in rural areas.[33]

28 2022 Nashville Regional Economic Development Guide, June 2022, Nashville Area Chamber of Commerce, https://www.nashvillechamber.com/economic-development/data-reports/resources-brochures, accessed August 2022.
29 2022 Nashville Regional Economic Development Guide, June 2022, Nashville Area Chamber of Commerce, https://www.nashvillechamber.com/economic-development/data-reports/resources-brochures, accessed August 2022.
30 2022 Nashville Regional Economic Development Guide, June 2022, Nashville Area Chamber of Commerce, https://www.nashvillechamber.com/economic-development/data-reports/resources-brochures, accessed August 2022.
31 2022 Music Industry Report, December 2020, Nashville Area Chamber of Commerce, https://www.nashvillechamber.com/research/music-industry-report, accessed August 2022.
32 Business Incentives in Davidson County, Mayor's Office of Economic and Community Development, https://www.nashville.gov/departments/mayor/economic-opportunity/business-incentives, accessed August 2022.
33 Tennessee Department of Economic and Community Development, https://tnecd.com, accessed August 2022.

Blue Oval City

Tennessee won the most significant economic development competition in the U.S. in 2021 when Ford Motor Company announced it would invest $5.6 billion to build Blue Oval City. Located 170 miles west of the Air Service Area, and 55 miles northeast of Memphis, the 3,600-acre campus will be a state-of-the-art vehicle and battery manufacturing facility. Blue Oval City is the single-largest private sector investment in Tennessee's history[34] and the facility is expected to serve as the blueprint for Ford's future manufacturing plants.[35] Construction broke ground in September 2022.[36] Blue Oval City is regarded as a once-in-a-generation investment and production of Ford's all electric F-series trucks is scheduled to begin in 2025. Employment at the vehicle and battery manufacturing plants is expected to total 5,800 workers.[37] According to the Center for Economic Research, a division of the Tennessee Department of Economic and Community Development, Blue Oval City is anticipated to generate a total of 27,000 new jobs, including direct, indirect and induced new jobs.[38]

Oracle

Database software company Oracle is investing $1.2 billion to develop a 60-acre office complex in the River North district, located on the east bank of the Cumberland River near downtown Nashville. The project will include riverfront parks and greenways, and a pedestrian bridge across the river connecting the Oracle campus to Germantown. Headquartered in Austin, Texas, Oracle is developing new facilities around the U.S. to service its cloud computing business. The company announced that the Nashville campus will employ 2,500 workers by 2027, and 8,500 workers by 2031.[39]

Thermo Fisher Scientific

In August 2022, Massachusetts-based Thermo Fisher Scientific opened its $105 million manufacturing facility in Wilson County to produce single-use bioprocess containers that are used worldwide in the production of vaccines and biopharmaceuticals. The facility is focused on manufacturing, assembling, and packaging in a clean room environment, and offers jobs in materials sourcing, engineering, quality control, warehousing, and management. The plant is expected to employ 1,400 workers.[40]

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34 Special Session on Historic Megasite Investment Comes to a Close, 20 October 2021, Newsroom, Office of the Governor, https://www.tn.gov/governor/news/2021/10/20/special-session-on-historic-megasite-investment-comes-to-a-close.html, accessed October 2022.

35 "Ford Breaks Ground on $5.6 Billion Tennessee Mega-Campus," 23 September 2022, *The Detroit News*, https://www.detroitnews.com/story/business/autos/ford/2022/09/23/ford-breaks-ground-on-blueoval-city-production-slated-to-start-in-25/69511685007, accessed October 2022.

36 Ford Breaks Ground at Blue Oval City, Future Home of Future All-New Electric Truck and Advanced Batteries, 23 September 2022, Ford Media Center, https://media.ford.com/content/fordmedia/fna/us/en/news/2022/09/23/blueoval-city-groundbreaking.html, accessed October 2022.

37 "2021: A Year for The Record Books," 21 December 2021, Tennessee Department of Economic and Community Development, https://tnecd.com/news/2021-a-year-for-the-record-books/?utm_source=Subscribers&utm_ campaign=2a8c0f9839-EMAIL_CAMPAIGN_2019_06_03_04_13_COPY_01&utm_medium=email&utm_term= 0_2936ece1a0-2a8c0f9839-147233115, accessed August 2022.

38 "How will this development affect Tennessee communities?," Frequently Asked Questions, Blue Oval City Community Information, https://www.tn.gov/ecd/rural-development/blue-oval-city-resources/frequently-asked-questions.html, accessed October 2022.

39 "Oracle Plans $1.2 billion Campus in Nashville, Creating 8,500 Jobs," 14 April 2021, Associated Press, https://www.marketwatch.com/story/oracle-plans-1-2-billion-campus-in-nashville-creating-8-500-jobs-01618437488, accessed August 2021.

40 "Thermo Fisher Opens $105m Single-Use Nashville Site," 23 August 2022, Bioprocess International, https://bioprocessintl.com/bioprocess-insider/facilities-capacity/thermo-fisher-opens-105m-single-use-nashville-site; "Tennessee: Thermo Fisher Puts $100-Million Plant in Wilson County," 9 December 2021, *Business Facilities*, https://businessfacilities.com/2021/12/tennessee-thermo-fisher-puts-100-million-plant-in-wilson-county, accessed October 2022.

Ultium Cells

General Motors, in partnership with LG Energy Solutions, announced in 2021 its plan to invest $2.3 billion in an electric battery factory in Spring Hill, Maury County. Once operational, the 2.8 million-square-foot facility will supply battery cells to GM's Spring Hill assembly plant and will create 1,300 new jobs.[41] Production is expected to begin in late 2023.[42]

Of the 11 EV battery manufacturing plants in the U.S. that have been announced by automakers, three are located in Tennessee: Ultium in Spring Hill, Ford at Blue Oval City, and Volkswagen in Chattanooga.[43] In recent years, industry has invested more than $4.2 billion in EV manufacturing in Tennessee, accounting for nearly 40% of the Southeast's EV manufacturing jobs and investment. Tennessee produces more than 16,000 electronic vehicles annually and ranks No. 1 in the Southeast for EV manufacturing.[44]

Amazon

In 2021, Amazon's 20-story Tower 1 opened in Nashville Yards, an 18-acre development in downtown Nashville.[45] Tower 2 is currently under construction with the core and shell nearly completed. Construction on Tower 2 has been paused as the company reevaluates the buildout of the traditional office space floors as the balance between in-office and remote employees is reconsidered. Amazon reinforced that the company is staying committed to creating 5,000 corporate and tech jobs in Nashville over the next few years, and that the pause on Tower 2 will not deter those plans. The workforce at the one million square-foot, $230 million office complex will be employed in technology and management jobs, customer service, order fulfillment, and transportation and supply chain management. The facility will also serve as the executive offices of Amazon's nationwide logistics business.[46] Currently, 2,500 workers are employed by Amazon in Tower 1.[47]

Amazon has 10 fulfillment centers in Tennessee,[48] with five located in the Air Service Area.[49] Since 2010, Amazon has invested $13 billion in Tennessee and has a statewide workforce of 31,000. Amazon facilities in Tennessee include the Amazon Nashville office tower, 10 fulfillment and sortation centers, eight delivery stations, eight Whole Foods Market locations, one Amazon Books shop, and one Prime Now fulfillment center.[50]

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41 "Governor Lee, Commissioner Rolfe Announce General Motors and LG Energy Solution to Invest $2.3 Billion to Build Ultium Cells Manufacturing Plant in Spring Hill," 16 April 2021, Tennessee Department of Economic and Community Development, https://tnecd.com/news/governor-lee-commissioner-rolfe-announce-general-motors-and-lg-energy-solution-to-invest-2-3-billion-to-build-ultium-cells-manufacturing-plant-in-spring-hill, accessed August 2022.

42 Ultium Cells, Spring Hill, Tennessee, https://www.ultiumcell.com/our-locations/spring-hill-tn, accessed October 2022.

43 "Thirteen New Electric Vehicle Battery Plants Are Planned in the U.S. Within the Next Five Years," 21 December 2021, Vehicle Technology Office, U.S. Department of Energy, https://www.energy.gov/eere/vehicles/articles/fotw-1217-december-20-2021-thirteen-new-electric-vehicle-battery-plants-are, accessed August 2022.

44 "Governor Lee, Commissioner Rolfe Announce General Motors and LG Energy Solution to Invest $2.3 Billion to Build Ultium Cells Manufacturing Plant in Spring Hill," 16 April 2021, Tennessee Department of Economic and Community Development, https://tnecd.com/news/governor-lee-commissioner-rolfe-announce-general-motors-and-lg-energy-solution-to-invest-2-3-billion-to-build-ultium-cells-manufacturing-plant-in-spring-hill, accessed August 2022.

45 "Exclusive Tour Inside Amazon Nashville Tower 1," 11 November 2021, WKRN, https://www.wkrn.com/special-reports/nashville-forward/exclusive-tour-inside-amazon-nashville-tower-1, accessed August 2022.

46 "Amazon to add 5,000 jobs in Nashville," 13 November 2018, *Nashville Business Journal*, https://www.bizjournals.com/nashville/news/2018/11/13/report-amazon-to-add-5-000-jobs-in-nashville.html, accessed August 2022.

47 "Take a Sneak Peek Inside the Amazon Nashville Office," 12 November 2021, Amazon News, https://www.about amazon.com/news/job-creation-and-investment/take-a-sneak-peek-inside-amazon-nashville, accessed August 2022.

48 Investing in the U.S., Amazon, https://www.aboutamazon.com/investing-in-the-u-s, accessed August 2022.

49 "Amazon to add 5,000 jobs in Nashville," 13 November 2018, Nashville Business Journal, https://www.bizjournals.com/nashville/news/2018/11/13/report-amazon-to-add-5-000-jobs-in-nashville.html, accessed August 2022.

50 Investing in the U.S., Amazon, https://www.aboutamazon.com/investing-in-the-u-s, accessed August 2022.

In August 2021, the company began aircraft cargo service at Nashville International Airport through its Amazon Air division which provides dedicated cargo service for Amazon packages. Amazon Air owns and leases aircraft and works with third-party cargo carriers. It has a 39,000 square-foot on-site sorting facility at the Airport that is managed by its logistics partner, LGSTX Cargo Services, and has a workforce of 70 employees.[51]

Relocations and Expansions

Relocations of company headquarters to the Air Service Area in 2021 included: Advanced Correctional Healthcare (jail healthcare services); Advanex Americas (metal components); Gutterglove, Inc. (roof gutter systems); Highland Ventures Ltd. (franchise holding company); Kaiser Aluminum (aluminum products); Nashville Record Pressing (vinyl record manufacturing); Safari Enterprises (helicopter kit manufacturing); and Smart USA Co. (retirement plan services). These nine corporate headquarters moved to the Air Service Area in 2021 from California, Illinois, Florida, and other states. Over the next five years they are expected to invest $56 million in the region and create 950 new jobs.[52]

New businesses opening in the Air Service Area in 2021 with 180 jobs or more included: Chewy (pet products distribution center, 1,200 jobs); Capgemini (global IT consulting, 1,000 jobs); Puritan Medical Products (medical testing supplies, 625 jobs); Tritium (EV chargers, 500 jobs); Monogram Assembled Foods (food manufacturing, 400 jobs); NTT Data (IT services, 350 jobs); PennyMac Financial Services (mortgage origination center, 325 jobs); Fiberon (composite decking, 310 jobs); REI (outdoor retailer distribution center, 280 jobs); JC Ford (tortilla manufacturing equipment, 210 jobs); and Kroger Fulfillment Network (grocery distribution center, 180 jobs). These 11 companies are expected to employ a total of 5,380 workers within the next five years and invest more than $340 million in new facilities.[53]

Twelve local company expansions in the Air Service Area in 2021 ranged from green building roof manufacturer Firestone Building Products, to wheelchair manufacturer Permobil, to auto industry suppliers Faurecia and Martinrea, to distribution centers for Gap Inc. and Macy's, to pet food manufacturer Royal Canin. In the next five years these 12 companies are expected to invest more than $431 million in the Air Service Area and create 1,700 new jobs.[54]

Factors cited in these expansions and relocations include the Air Service Area's positive business climate, skilled workforce, affordable operating costs, transportation links, expanding housing supply, urban amenities, and a superior quality of life for workers.[55]

51 "Amazon Air Cargo Comes to Nashville," 10 September 2021, The Nashville Ledger, https://www.tnledger.com/editorial/article.aspx?id=145434, accessed August 2022.
52 Newsroom, Tennessee Department of Economic and Community Development, https://tnecd.com/media/newsroom, accessed August 2022.
53 Newsroom, Tennessee Department of Economic and Community Development, https://tnecd.com/media/newsroom, accessed August 2022.
54 Newsroom, Tennessee Department of Economic and Community Development, https://tnecd.com/media/newsroom, accessed August 2022.
55 2022 Nashville Regional Economic Development Guide, June 2022, Nashville Area Chamber of Commerce, https://www.nashvillechamber.com/economic-development/data-reports/resources-brochures, accessed August 2022.

Education Reforms

Tennessee's nationally recognized higher education reforms and workforce training programs provide additional incentives for business relocation. The goal of the Drive to 55 initiative[56] is to increase the percentage of Tennessee workers with an associate, bachelor's, or graduate degree to 55% by 2025.[57] Tennessee was the first U.S. state to allow high school graduates to attend two years of community college or technical college free of tuition and fees. Launched in 2015, the Tennessee Promise scholarship program has experienced record enrollment and retention rates.[58] Other skills-oriented education reforms in Tennessee include Tennessee Reconnect (tuition-free community college for adults who do not have a degree), and GIVE (Governor's Investment in Vocational Education).[59] The GIVE community grant program prioritizes economically distressed counties and, since 2019, has awarded $50 million to fund workforce training partnerships between industry, Tennessee Colleges of Applied Technology (TCATs), and community colleges to address skills gaps in local labor pools.[60] The primary goal of these programs is to ensure that graduates of community colleges and technical schools achieve the skills and educational credentials required by existing employers and new industries moving to Tennessee. In addition, the state provides academically challenging dual-credit programs that give high school students the opportunity to earn college credit in courses such as history, calculus, statistics, business, and communications.[61]

Economic Development and Air Service

Site selection and business relocation experts underscore the importance of air service and the impression a region's airport facilities give to business and leisure travelers.[62] Because access to domestic and international markets is a major factor in the site selection process, the Airport plays a significant role in business attraction and expansion in the Air Service Area.[63]

In addition, operations at the Airport itself make an important contribution to the regional economy. A recent economic impact study found that the passenger and air cargo activity at Nashville International Airport generate approximately 8,355 direct jobs, $372.8 million in direct personal income, $3.5 billion in direct business revenue, $73.9 million in state and local taxes, and $254 million in federal aviation taxes.[64]

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56 Drive to 55 Alliance, https://driveto55.org/the-alliance, accessed August 2022.
57 In 2021, approximately 47% of Air Service Area residents aged 25 and above held an associate, bachelor's, or graduate degree, see Table 1-4.
58 Tennessee Promise, https://driveto55.org/initiatives/tennessee-promise, accessed August 2022.
59 Workforce and Education, Tennessee Department of Economic and Community Development, https://tnecd.com/ advantages/workforce-education, accessed August 2022.
60 Tennessee Higher Education Commission, 28 January 2022, THEC Winter Quarterly Meeting, https://www.tn.gov/ content/dam/tn/thec/cm/2022/winter/12%20Regular%20IV_THEC%20Jan%202022_GIVE%20SPARC.pdf, accessed August 2022.
61 Statewide Dual Credit, Tennessee Department of Education, https://www.tn.gov/education/early-postsecondary/dual-credit.html, accessed August 2022.
62 First Impressions Matter, January 2020, *Site Selection Magazine*, https://siteselection.com/issues/2020/jan/nashville-international-airport-first-impressions-matter.cfm, accessed August 2022.
63 Nashville International Airport: Growing in Tandem with Middle Tennessee, 13 April 2020, *Business Facilities*, https://businessfacilities.com/2020/04/nashville-international-airport-growing-in-tandem-with-middle-tennessee, accessed August 2022.
64 Economic Impact Executive Summary, 25 June 2020, The Metropolitan Nashville Airport Authority, https://flynashville.com/news/bna-generated-enormous-economic-impact-in-2019, accessed August 2022.

1.2.3.4 Tourism Industry

An estimated 14.1 million people traveled to the Air Service Area in 2019, approximately 12% more than in 2018 (12.6 million visitors). In 2020, due to the COVID-19 pandemic, the number of visitors to the Air Service Area declined by approximately 37% compared to 2019, falling to 8.9 million. Tourism rebounded significantly in 2021 when 12.6 million visitors traveled to the Air Service Area and generated approximately $6.6 billion in direct spending.[65]

Cultural Attractions

The Air Service Area is home to a rich variety of cultural attractions such as the Tennessee Performing Arts Center, Ryman Auditorium, Schermerhorn Symphony Center, Nashville Municipal Auditorium, War Memorial Auditorium, OZ Arts Nashville, Ascend Amphitheater, The Belcourt Theatre, and others. Among the Air Service Area's nationally acclaimed performing arts companies are the Nashville Ballet, Nashville Symphony, Nashville Opera, Nashville Repertory Theatre, and Nashville Children's Theatre.

Other cultural and educational attractions include the Frist Center for the Visual Arts, The Parthenon, Tennessee State Museum, Nashville Zoo, Adventure Science Center, Madam Tussauds wax museum, Patsy Cline Museum, Sudekum Planetarium, Cumberland Caverns, and Cheekwood Botanical Garden and Museum of Art. Historic sites and recreational attractions include the Tennessee State Capitol, The Hermitage (home of President Andrew Jackson and a National Historic Site), Belle Meade Plantation, Fort Nashborough, Fort Negley, and Bicentennial Capitol Mall State Park.

Dedicated to preserving the legacy of music genres created and influenced by generations of African Americans, the 56,000 square-foot National Museum of African American Music (NMAAM) opened in downtown Nashville in 2021. NMAAM combines historical exhibits and artifacts with interactive technology, allowing visitors to explore over 50 music genres and subgenres and discover the history and connections between classical, jazz, country, hip hop and other musical forms.[66]

Sports and Entertainment

Professional sports teams based in the Air Service Area include football (Tennessee Titans), hockey (Nashville Predators), soccer (Nashville SC), and Triple-A baseball (Nashville Sounds). A Nashville holiday tradition, the annual Music City Bowl is a post-season collegiate bowl featuring the Atlantic Coast and Southeastern Conferences that is televised nationally to millions of viewers.

The NFL Draft was held in Nashville for the first time in April 2019, attracting 600,000 visitors and generating a record breaking $133 million in direct spending. Live video of the draft was transmitted to 115 countries and drew 47.5 million viewers.[67] The two-day event had the highest attendance and viewership in NFL Draft history, up to that point in time, and Nashville has submitted an expression of interest to the NFL to host the draft in 2024 and 2025.[68]

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65 Nashville Convention & Visitors Corp., e-mail correspondence, August 2022; Nashville Hospitality & Visitation, September 2019, Nashville Convention & Visitors Corp., https://www.visitmusiccity.com/HospitalityStats.pdf, accessed August 2022.

66 "National Museum of African American Music to Hold Ribbon Cutting on MLK Day, Opens to Public Jan. 30," 15 January 2021, *The Tennessee Tribune*, https://tntribune.com/national-museum-of-african-american-music-to-hold-ribbon-cutting-on-mlk-day; National Museum of African American Music, https://nmaam.org, accessed August 2022.

67 "NFL Draft in Nashville Clobbers Record for Visitor Spending," 22 May 2019, *The* Tennessean, https://www. tennessean.com/story/money/2019/05/22/2019-nfl-draft-nashville-record-visitor-spending/3767281002, accessed August 2022.

68 "Nashville Aims to Bring Back Draft in 2024 or 2025," 9 June 2020, *Sports* Illustrated, https://www.si.com/nfl/titans/news/ titans-nfl-draft-fu; NFL Draft Generates Record Direct Spending in Nashville of $133 Million, 22 May 2019, Nashville Convention & Visitors Corp., https:// www.visitmusiccity.com/media/press-release/2019/nfl-draft-direct-spending, accessed August 2022.

On October 17, 2022, the Tennessee Titans and the Metropolitan Government of Nashville and Davidson County announced a deal for a new 1.7 million square-foot, $2.1 billion domed stadium to replace the existing Nissan Stadium. The new stadium is anticipated to open in 2026 and could potentially host major sporting events such as the Super Bowl, NCAA championship events, WrestleMania, and Monster Jam, as well as music concerts and festivals.[69] The new, enclosed stadium located closer to Interstate 24 would be funded through a mix of private contributions and state and local revenue bonds, with $840 million coming from the Titans, personal seat license sales and the National Football League (pending NFL approval). State legislators have dedicated $500 million in one-time bonds to the project. The plan will require approval from the Metropolitan County Council, and Nashville Mayor John Cooper announced his administration intends to file initial legislation in time for the council to review it in early November.

On August 18, the NHL announced that Nashville will host the 2023 Draft and NHL Awards next June. This is the first time since 2006 that both events will be held in the same city and the 20th anniversary of Nashville hosting the NHL draft in 2003.

GEODIS Park, the home of Nashville SC, officially opened on May 1, 2022 for the team's first home match. The 30,000-seat stadium is the largest soccer-specific stadium in the United States and Canada, featuring a 360-degree canopy, a 65-foot-wide shared concourse and a safe standing supporter's section. Built in the heart of Nashville's Wedgewood-Houston neighborhood, GEODIS Park is set to become one of the premier sports and entertainment destinations in the United States.

Numerous venues and attractions play an important role in celebrating the Air Service Area's prominence in the history and development of country music including: the Grand Ole Opry House, Country Music Hall of Fame and Museum, Grammy Museum Gallery, Music City Walk of Fame Park, Musicians Hall of Fame and Museum, Historic RCA Studio B, The Johnny Cash Museum, Loretta Lynn's Ranch, Willie Nelson and Friends Museum, among others.[70]

Visitors can also enjoy performances at the Air Service Area's 200 live music venues[71] as well as annual events such as the CMA Awards, CMA Music Festival, Bonnaroo Music Festival, Jack Daniel's® New Year's Eve Bash on Broadway,[72] and Music City July 4th: "Let Freedom Sing!" celebration (an award-winning fireworks display that attracted approximately 350,000 attendees in 2021, a new record).[73]

Many television programs and reality TV series filmed in the Air Service area have been credited with boosting tourism to the region. *Nashville*, an award-winning prime time TV drama filmed 124 episodes before its sixth and final season in 2018. Other programs filmed in the Air Service Area, such as *Flip or Flop Nashville*, *American Pickers*, *Chasing Nashville*, *The Willis Family*, and *Music City*, have similarly brought exposure to the Air Service Area and have given a national stage to local country music performers.

In addition, numerous travel magazines and websites such as *Travel + Leisure*, *Forbes*, TripAdvisor.com, Thrillist.com, *Condé Nast Traveler*, *Robb Report*, CNN, Newsweek, *AFAR*, *Fodor's Travel*, and *Lonely Planet*

69 "Tennessee Titans, Nashville mayor unveil details of $2.1B stadium deal", October 17, 2022., https://www.tennessean.com/story/news/local/davidson/2022/10/17/tennessee-titans-nashville-mayor-detail-2-1b-nissan-stadium-deal/69568486007/, accessed October 2022.

70 Things to Do in Nashville, Nashville Convention & Visitors Corp., https://www.visitmusiccity.com/things-to-do-in-nashville; Nashville Visitors Guide July-December 2022, Nashville Convention & Visitors Corp., https://www.visitmusiccity.com/plan-a-trip-to-nashville/travel-resources/nashville-visitors-guide, accessed August 2022.

71 2020 Music Industry Story Map, Nashville Area Chamber of Commerce, https://www.nashvillechamber.com/research/ data-visualization, accessed August 2022.

72 Nashville Visitors Guide July-December 2022, Nashville Convention & Visitors Corp., https://www.visitmusiccity.com/plan-a-trip-to-nashville/travel-resources/nashville-visitors-guide, accessed August 2022.

73 Let Freedom Sing! Music City July 4th, Nashville Convention & Visitors Corp., https://www.visitmusiccity.com/july4th, accessed August 2022.

regularly recommend Nashville as a top travel destination. Nashville has also been cited as a top location for restaurants, live music, historical attractions, urban green spaces, and a vibrant arts community by publications and websites including *Zagat*, OpenTable.com, *USA Today*, *Rolling Stone*, *The New York Times*, *Vogue*, *Architectural Digest*, *Town & Country*, *Southern Living*, *Esquire*, and *National Geographic*.[74]

The region's wide array of cultural choices and entertainment options is an important factor supporting repeat visitation. The ability to see attractions or undertake activities that were missed on a previous visit has been cited as a significant element in a visitor's intent to return to a travel destination.[75]

1.2.3.5 Convention Business

Located on 16 acres in the heart of downtown Nashville, Music City Center (MCC) was built to allow Nashville to host large conventions and is among the top 40 largest convention centers in the U.S. It opened in 2013 with 2.1 million square feet of public space including 375,000 square feet of exhibit space, 128,000 square feet of meeting space, two ballrooms, a business center, a 2,500-seat theater, and a parking garage with 1,800 spaces. Reflecting Nashville's commitment to sustainability, MCC was awarded LEED Gold Certification from the U.S. Green Building Council. Solar panels, a rainwater collection system, and a four-acre green roof are among MCC's numerous environmentally sustainable features.[76] MCC's extensive facilities and state-of-the-art exhibit space improve Nashville's competitive position relative to facilities in Indianapolis, Charlotte, Austin, Raleigh, Jacksonville, Tampa, Louisville, and other major convention cities. On average, MCC hosts 250-275 events throughout the year with a total of 500,000 attendees. Nashville's popularity as a convention destination continues to grow and MCC has contracts booked as far in advance as 2033.[77]

The high number of meeting rooms at MCC, 60 in total, makes the facility especially attractive to meeting planners since an increasing number of organizations prefer small meeting rooms with top quality amenities for use as break-out rooms or educational events. Many older, larger convention facilities in the U.S. were built in an era when expansive exhibit space was more popular, and they lack the number of meeting rooms offered by MCC. In addition, the Air Service Area contains approximately 56,170 hotel rooms with an additional 2,645 rooms under construction.[78] This ample lodging supply allows meeting planners to reserve blocks of thousands of rooms that are needed to serve large conventions. The extensive convention facilities at MCC and a growing supply of hotel rooms give Nashville the capacity to accommodate 75% of the conventions held in the U.S.

Gaylord Opryland Resort & Convention Center, located east of downtown Nashville in Music Valley, is one of the largest non-gaming hotel properties in the United States. The complex includes 2,888 hotel rooms, 760,000 square feet of meeting space, six ballrooms, and 86 meeting rooms. Amenities include three swimming pools, a fitness center, golf course, 20,000-square-foot spa, nine acres of indoor gardens and waterfalls, and dozens of shops, restaurants, and clubs.[79]

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[74] Accolades & Honors, Nashville Convention & Visitors Corp., https://www.visitmusiccity.com/accolades-honors, accessed August 2022.

[75] "Active Research Directions for Studying Repeat Tourist Behaviour," Manisha Agarwal et al., *Advances in Social Science, Education and Humanities Research*, June 2019, Volume 259, 3rd International Seminar on Tourism (ISOT 2018), https://www.atlantis-press.com/proceedings/isot-18/125909381, accessed August 2022; Jeffrey M. Caneen, "Cultural Determinants of Tourist Intention to Return," published in *Consumer Psychology of Tourism, Hospitality and Leisure*, CABI Publishing, 2004.

[76] Event Planning Guide, Music City Center, https://www.nashvillemusiccitycenter.com/planners; Statistics and Facts, Nashville Convention & Visitors Corp., https://www.visitmusiccity.com/explore-nashville/about/statistics, accessed August 2022.

[77] Music City Center, Sales & Marketing Department, e-mail correspondence, September 2019.

[78] Research & Hospitality Stats, February 2022, Nashville Convention & Visitors Corp., https://www.visitmusiccity.com/research; Hotel Development Pipeline, Nashville Convention & Visitors Corp., https://www.visitmusiccity.com/research, accessed August 2022.

[79] Gaylord Opryland Resort, Nashville Convention & Visitors Corp., https://www.visitmusiccity.com/meetings/gaylord-opryland, accessed August 2022.

The business community and government, at both the state and local level, place a high priority on promoting the Air Service Area and Tennessee to vacationers, conventions and meeting planners, business travelers, and international visitors.[80]. Since 2014, the Tennessee Department of Tourist Development has run “The Soundtrack of America: Made in Tennessee” national and international marketing campaign to promote Tennessee as a convention and tourist destination through television commercials, online YouTube videos, online display ads, and social media outlets such as Facebook, Twitter, Pinterest, Snapchat, and Instagram.[81]

1.2.4 Economic Outlook

The U.S. economy from FY 2022 through FY 2031, referred to as the Forecast Period in this Report, is expected, in the near term, to experience elevated inflation and wage growth, supply constraints, and a tight labor market. Business investment is expected to moderate, reflecting expectations for monetary policy tightening and higher interest rates.[82] In the medium term, inflationary pressures are expected to decline as tightening financial conditions correct supply and demand imbalances in the economy.[83] In the longer run (six to ten years), forecasters surveyed by the Federal Reserve Bank of Philadelphia expect the annual-average rate of inflation in the U.S. to fall below 3.0%.[84]

The most recently published forecast by business economists from the National Association for Business Economics (NABE) indicates consensus for annual real U.S. GDP growth of 1.7% in 2022 and1.1% in 2023. The NABE forecast also estimates an average annual U.S. unemployment rate of 3.7% in 2022 and 4.0% in 2023.[85]

According to the University of Tennessee’s Center for Business and Economic Research, there will be continued growth in the state’s economy in between 2022 and 2031, led by above-average growth in the leisure and hospitality, professional and business services, transportation, financial services, education, and health industries.[86]

1.2.4.1 2022-2031 Real GDP Growth Rate Projections

Figure 1-12 shows historical real U.S. GDP growth from the Bureau of Economic Analysis (BEA), and growth projections for the U.S. between 2022-2031 from the Congressional Budget Office (CBO), Federal Reserve Open Market Committee (FOMC), and the Office of Management and Budget (OMB). The decline in real U.S. GDP in 2020 (-3.4%) was a result of the lockdowns, business closures, and extensive unemployment caused by the impacts associated with the COVID-19 pandemic. U.S. GDP growth in 2021 (5.7%) reflects the impact that widespread COVID-19 vaccinations had on the release of pent-up demand, business re-openings, and increased consumer spending.

80 About TDTD, Tennessee Department of Tourist Development, https://industry.tnvacation.com/industry/marketing/about-tdtd, accessed August 2022..

81 2021 Annual Report, Research, Tennessee Department of Tourist Development, https://industry.tnvacation.com/industry/research#2017-annual-report, accessed August 2022.

82 Recent Economic and Financial Developments, Monetary Policy Report – June 2022, Board of Governors of the Federal Reserve System, https://www.federalreserve.gov/monetarypolicy/2022-06-mpr-part1.htm, accessed August 2022.

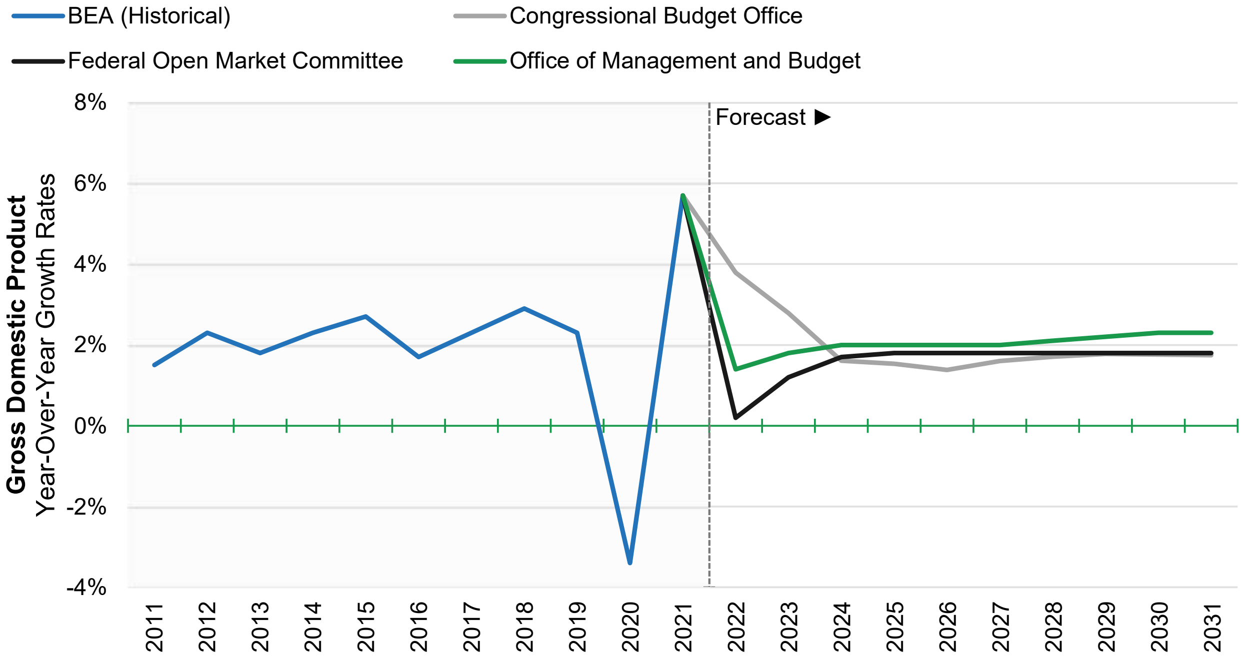
83 *The Budget and Economic Outlook: 2022 to 2032*, May 2022, Congressional Budget Office, https://www.cbo.gov/ publication/58147, accessed August 2022.

84 Third Quarter 2022 Survey of Professional Forecasters, 12 August 2022, Federal Reserve Bank of Philadelphia, https://www.philadelphiafed.org/surveys-and-data/real-time-data-research/spf-q3-2022, accessed August 2022.

85 National Association for Business Economics, *NABE Outlook*, May 2022.

86 An Economic Report to the Governor of the State of Tennessee, December 2021, Boyd Center for Business and Economic Research, The University of Tennessee, https://haslam.utk.edu/?haslam_whitepaper=economic-report-to-the-governor-2022, accessed August 2022.

Figure 1-12 U.S. Real GDP Projections



Sources: Bureau of Economic Analysis, Annual Real Gross Domestic Product, Chained 2012 Dollars, January 2022; Congressional Budget Office, Real GDP, Long Term Economic Projections, July 2022; Board of Governors of the Federal Reserve System, Federal Open Market Committee, Summary of Economic Projections, September 2022; Office of Management and Budget, Mid-Session Review: Budget of the U.S. Government Fiscal Year 2023, 23 August 2022.
Compiled by Partners for Economic Solutions, September 2022

The 2022 real GDP growth projections shown in Figure 1-12 range from 0.2% (FOMC) to 3.8% (CBO). Growth rate projections in 2023 range from 1.2% (FOMC) to 2.8% (CBO). For all of the projections, with the exception of the CBO, real GDP growth rates are higher from 2024-2026 compared to 2022. From 2027-2031, average real GDP growth rate projections range from 1.7% (CBO) to 2.2% (OMB).

1.2.4.2 Summary of Economic Variables

Table 1-9 presents a summary of 2021 and 2031 economic variables for the Air Service Area and for the U.S. including population, employment, personal income, and gross regional and domestic product. Growth expectations for these variables are higher in the Air Service Area than in the U.S. Notably, personal income, population, and employment are projected to have relatively stronger growth rates in the Air Service Area, thus indicating the ongoing capacity of the Air Service Area to continue to generate demand for air travel services during the Forecast Period.

Table 1-9 Passenger Demand Forecast Variables (2021-2031)

Variable[1]	Region	2021	2031	CAGR[2] 2021-2031
Population	Air Service Area	2,012,476	2,285,575	1.3%
	United States	331,893,745	354,251,908	0.7%
Total Employment	Air Service Area	1,412,448	1,760,629	2.2%
	United States	197,119,425	230,205,037	1.6%
Total Personal Income ($ billion)	Air Service Area	$131.6	$179.4	3.1%
	United States	$20,233.2	$25,419.3	2.3%
Per Capita Personal Income	Air Service Area	$65,403	$78,503	1.8%
	United States	$60,963	$71,755	1.6%
Gross Domestic/Regional Product ($ billion)	Air Service Area	$151.5	$205.4	3.1%
	United States	$22,518.5	$27,744.8	2.1%
Air Service Area Per Capita GRP	Air Service Area	$75,274	$89,878	1.8%
	United States	$67,849	$78,319	1.4%

[1] All dollar amounts are in 2021 dollars.
[2] CAGR = Compound annual growth rate.
Source: Woods & Poole Economics, Inc., *Complete Economic and Demographic Data Source*, June 2022.
Compiled by Partners for Economic Solutions, August 2022

2 Air Service and Traffic Analysis

This chapter evaluates and describes the current state of air service at the Airport, analyzes historical trends in air traffic, identifies key factors that generally affect demand for air travel, and provides projections of air traffic activity through FY 2031.

2.1 Air Service at the Airport

The following sections evaluate current air service capacity and operating performance for primary passenger airlines serving the Airport. The Airport's overall O&D market is also assessed at the market level, comparing performance with prior years. To the extent airline market data and related information is available, impacts associated with the COVID-19 pandemic are also identified.

Like the overall airport industry, enplaned passengers at the Airport experienced a significant decrease in FY 2020 and FY 2021 due to the impacts associated with the COVID-19 pandemic. Since April 2020, the low point of U.S. passenger traffic during the COVID-19 pandemic, passenger activity has been trending upwards towards pre-pandemic levels, and beginning in March 2022, the Airport has consistently exceeded pre-pandemic levels. It is important to understand the scope of traffic decreases and how air service at the Airport has returned and has been exceeding pre-pandemic levels, which is described in the following sections.

2.1.1 Airlines Operating at the Airport

The Airport provided a diverse mix of air service from the primary U.S. airlines and certain foreign airlines. As of September 2022, the Airport had scheduled passenger service from 16 U.S. airlines (not counting regional affiliates) and four foreign flag carriers. Additionally, there was cargo service provided by five all-cargo airlines. **Table 2-1** provides a list of the scheduled passenger and all-cargo airlines that served the Airport as of September 2022. Five airlines have started service at the Airport (Avelo Airlines, Breeze Airways, Cape Air, Flair Airlines, and Swoop Airlines) since the onset pandemic. Boutique Air is the only airline to cease service at the Airport since March 2020.[87]

To illustrate specific trends and changes to passenger market share over the past several years, **Table 2-2** presents enplaned passengers by airline at the Airport for the five-year period from FY 2018 through FY 2022. The top four passenger airlines serving the Airport, which comprised 89.1% of the Airport's enplaned passenger market share in FY 2022, are Southwest, American, Delta, and United. Over the last few years, several new airlines, particularly low-cost carrier (LCC) JetBlue Airlines (JetBlue) and ultra-low-cost carriers (ULCCs) such as Allegiant Air (Allegiant), Avelo Airlines, Breeze Airways, Sun Country Airlines (Sun Country), and Spirit Airlines (Spirit), have begun service at the Airport. Notably, two airlines that began service within the past five years, Spirit and Allegiant, combined to account for 5.7% of enplaned passengers in FY 2022.

[87] Boutique Air ceased operations in in September 2021. At the time, the airline accounted for less than 0.5% of the passenger traffic at the Airport.

Table 2-1 Airlines Operating at the Airport (as of September 2022)

Passenger Airlines			Cargo Carriers	
Signatory	**Regional Affiliates**[1]	**Non-Signatory**	**Signatory**	**Non-Signatory**
Alaska Airlines	Air Wisconsin[2]	Air Canada[7]	FedEx	Air Transport International
Allegiant Air	Endeavor Air[3]	Avelo Airlines		Airborne Express
American Airlines	Envoy[4]	Breeze Airways		Amazon Air[8]
Delta Air Lines	ExpressJet[5]	British Airways[7]		Atlas Air
Frontier Airlines	GoJet Airlines[3]	Cape Air		
JetBlue	Mesa Airlines[4]	Contour Airlines		
Southwest Airlines	Republic Airways[2]	Flair Airlines		
Spirit Airlines	Shuttle America[6]	Sun Country		
United Airlines	SkyWest Airlines[6]	Swoop Airlines		
	TransStates Airlines[5]	WestJet[7]		
		VivaAerobus[7]		

[1] Subject to the provisions of the Signatory Airline Agreements, certain Signatory Airlines have designated one or more regional airlines as an Affiliate (as defined in the Signatory Airline Agreements).
[2] Doing business as American Airlines and United Airlines.
[3] Doing business as Delta Air Lines.
[4] Doing business as American Airlines.
[5] Doing business as United Airlines.
[6] Doing business as Delta Air Lines and United Airlines.
[7] Foreign flag carriers.
[8] Operated by Sun Country Airlines and Atlas Air
Sources: Metropolitan Nashville Airport Authority, Activity Report September 2022.

Table 2-2 Enplaned Passenger Market Share at the Airport (FY 2018 – FY 2022)

	Enplaned Passengers (In Thousands)					Market Share				
Airline	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Southwest Airlines	4,009	4,517	3,572	3,092	4,946	53.7%	52.5%	52.1%	60.0%	53.7%
American Airlines	1,236	1,349	1,070	725	1,472	16.5%	15.7%	15.6%	14.1%	16.0%
Delta Air Lines	1,139	1,278	971	504	1,105	15.3%	14.9%	14.2%	9.8%	12.0%
United Airlines	601	730	539	306	691	8.0%	8.5%	7.9%	5.9%	7.5%
Spirit Airlines	0	0	122	172	268	0.0%	0.0%	1.8%	3.3%	2.9%
Allegiant Air	6	80	115	137	253	0.1%	0.9%	1.7%	2.7%	2.7%
Frontier Airlines	146	177	126	74	119	2.0%	2.1%	1.8%	1.4%	1.3%
JetBlue Airways	131	138	99	45	149	1.7%	1.6%	1.4%	0.9%	1.6%
Alaska Airlines	87	116	88	65	103	1.2%	1.3%	1.3%	1.3%	1.1%
Other	112	210	156	33	112	1.5%	2.4%	2.3%	0.6%	1.2%
Total	**7,466**	**8,596**	**6,858**	**5,152**	**9,218**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Note: Percentages may not add because of rounding.
Regional affiliates, as applicable, have been included with their appropriate network partner.
Other includes passenger airlines with less than one percent market share and charters.
Source: Metropolitan Nashville Airport Authority, Passenger Activity Report.

2.1.2 Current Nonstop Service

The Airport's passenger operations, while strong throughout the year, have historically peaked during the summer months. In March 2020, there was nonstop service from the Airport to 73 destinations, the most in the Airport's history. The number of nonstop destinations dropped to 47 in May 2020 as a result of the COVID-19 pandemic. However, the decline in service was short-lived and by the summer months of July and August of 2020, the Airport had nonstop service to 72 destinations. The number of nonstop destinations has continued to increase year-over-year. As of September 2022, there is nonstop service from the Airport to 94 destinations. **Figure 2-1** provides a map of the scheduled nonstop destinations at the Airport. As shown, there were 89 domestic and five international nonstop destinations from the Airport as of August 2022. According to published airline schedules, service to Cape Girardeau (CGI), White Plains (HPN), Fort Leonard Wood (TGN), Hayden, Colorado (HDN) and Long Beach, California (LGB) are expected to begin later in CY 2022.

2.1.3 Origin and Destination Markets

Table 2-3 provides information regarding the Airport's top domestic O&D markets, including the number of daily O&D enplaned passengers for year-end (YE)[88] March 2020 and FY 2022 (the latest data available). The table also presents daily departing seats. For example, the New York and Newark market (the largest O&D market served from the Airport) had an average of 1,178 daily O&D enplaned passengers with 2,004 total nonstop departing seats to the market during YE March 2022.

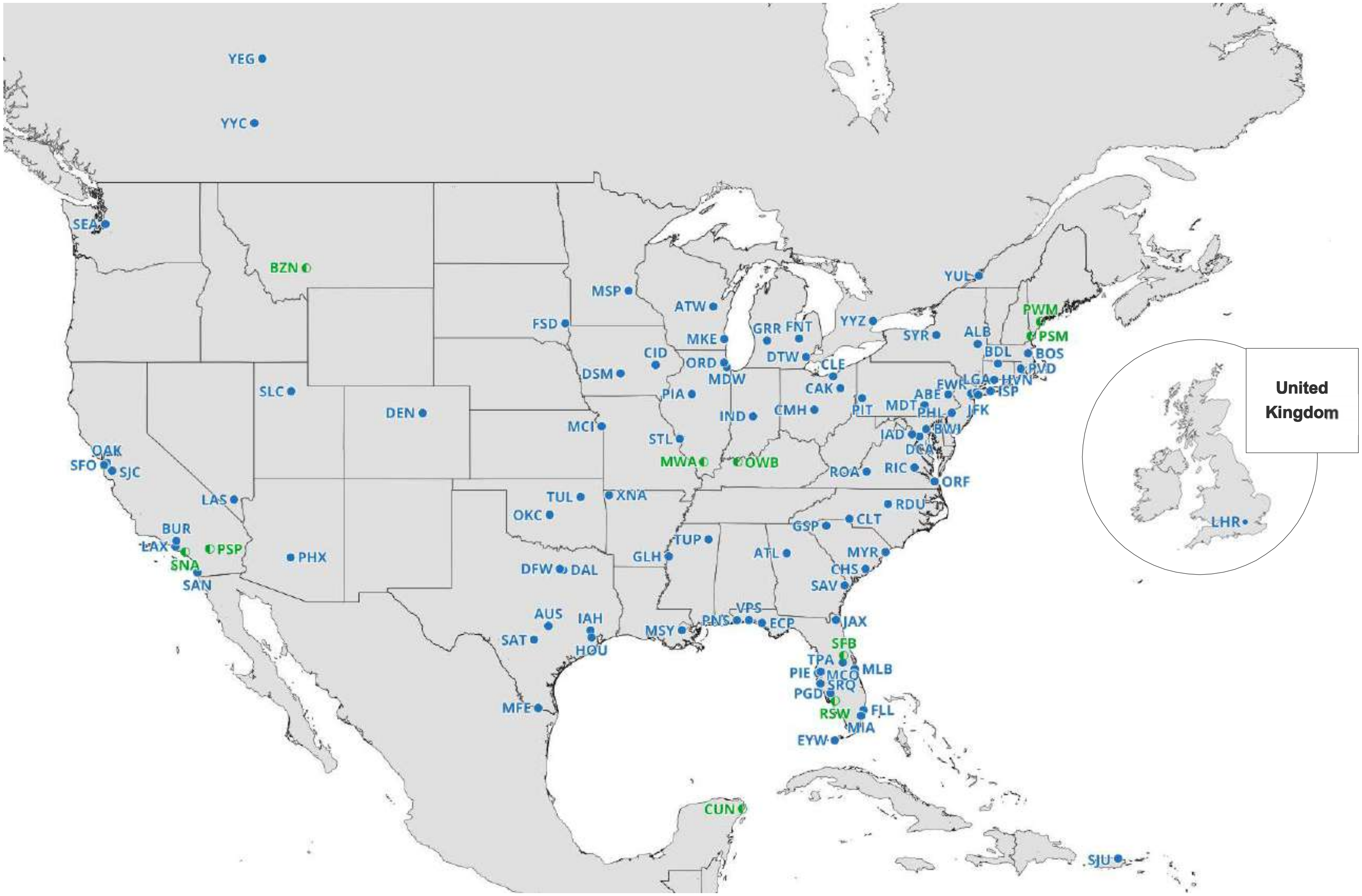
The table helps to illustrate how the Airport's air travel demand has changed since the start of the COVID-19 pandemic. Overall, O&D enplaned passengers at the Airport were up 5.4% for FY 2022 as compared to YE March 2020 levels. As shown, many of the business-oriented markets, such as Baltimore/Washington, Minneapolis, and Detroit experienced lower levels of O&D enplaned passengers during FY 2022 as compared to YE March 2020 (generally pre-pandemic levels). However, most of the leisure markets during FY 2022, such as those in Florida, are up considerably from YE March 2020 levels. Another important distinction for these destinations is that they are all served by LCCs and ULCCs. Spirit and Allegiant have been increasing operations at the Airport since 2020. ULCC traffic has been the leading driver of growth in these leisure markets. All of the Airport's top 30 O&D markets are served by nonstop flight operations.

The Airport's top international market is Cancun, Mexico, which has nonstop service on a seasonal basis. Other major international O&D markets include London in the United Kingdom, Montego Bay in Jamaica, Mexico City in Mexico, and Nassau in the Bahamas. Most of the service to Canadian markets resumed during CY 2021. Service to London (LHR) resumed in May 2022 after being suspended since March 2020.

88 Year-end (YE) refers to the 12-month period ended during the month presented. For example, YE March 2020 refers to the period of April 2019 through March 2020.

Figure 2-1 Map of Nonstop Destinations (October 2022)

● Year-Round ◐ Seasonal



Source: Metropolitan Nashville Airport Authority, Nonstop Flights, accessed August 2022.

Table 2-3 Top-25 Domestic O&D Markets from the Airport (Sorted based on FY 2022 O&D Enplaned Passengers)

		O&D Enplaned Passengers Per Day			Nonstop Scheduled Departing Seats Per Day		
Region	Airports	YE March 2020	FY 2022	Percent Change	YE March 2020	FY 2022	Percent Change
New York / Newark	LGA, EWR, JFK	1,395	1,433	2.7%	2,249	2,379	5.8%
Los Angeles Basin	LAX, BUR	857	989	15.3%	1,067	1,170	9.6%
South Florida	FLL, MIA, EYW	760	953	25.5%	1,243	1,553	25.0%
Orlando	MCO, SFB	751	853	13.6%	1,005	1,076	7.1%
Baltimore / Washington	BWI, DCA, IAD	944	849	-10.1%	2,105	1,672	-20.6%
Chicago	ORD, MDW	813	817	0.4%	1,965	2,062	4.9%
Dallas / Ft. Worth	DAL, DFW	684	772	12.9%	1,865	1,945	4.3%
Denver	DEN	676	655	-3.2%	1,241	1,153	-7.1%
Houston	IAH, HOU	426	563	32.1%	1,039	1,417	36.3%
Boston	BOS	696	517	-25.6%	1,023	666	-34.9%
Las Vegas	LAS	453	487	7.4%	621	602	-3.0%
Philadelphia	PHL	554	467	-15.7%	919	753	-18.1%
Phoenix	PHX	352	456	29.5%	547	717	31.2%
Tampa / St. Petersburg	TPA, PIE	460	438	-4.8%	699	586	-16.2%
Florida Panhandle	ECP, PNS, VPS	270	392	45.0%	618	1,018	64.6%
Minneapolis / St. Paul	MSP	399	386	-3.0%	741	606	-18.2%
Detroit	DTW	431	377	-12.5%	1,003	775	-22.7%
Austin	AUS	246	365	48.6%	425	774	82.0%
Seattle	SEA	331	331	-0.2%	430	488	13.4%
Charlotte	CLT	313	296	-5.3%	1,177	1,041	-11.6%
Raleigh / Durham	RDU	334	276	-17.2%	543	450	-17.0%
San Diego	SAN	228	244	7.1%	303	230	-24.1%
Atlanta	ATL	312	223	-28.4%	2,133	1,703	-20.2%
Jacksonville	JAX	223	223	-0.2%	393	316	-19.5%
Fort Myers / Punta Gorda	RSW, PGD	137	204	49.0%	92	218	136.4%
Top 25		***13,045***	***13,567***	***4.0%***	***25,447***	***25,369***	***-0.3%***
Others		5,429	5,912	8.9%	4,689	5,527	17.9%
Total		**18,474**	**19,479**	**5.4%**	**30,136**	**30,897**	**2.5%**

Source: Diio Mi, US DOT Origin and Destination Survey Data, accessed October 2022.

2.1.4 Airline Revenue Performance at the Airport

Airline performance at an airport can be measured primarily by four key airline revenue metrics: revenue per available seat mile, load factor, yield, and cost per available seat mile. Each of these airline metrics are summarized below.

- **Revenue per Available Seat Mile (RASM)** – RASM is the unit metric used by airlines, expressed in cents, to measure the amount of revenue received for each available seat mile (ASM). ASMs are measured by airlines for the purpose of determining capacity; one ASM unit equates to one seat flying one mile. For example, an aircraft with 100 seats operating on a route of 1,000 miles would equate to 100,000 ASMs. For the purposes of this analysis, RASM only measures passenger revenue derived from air fares and does not include other revenues received by airlines such as baggage fees.
- **Load Factor** – Load factor measures how an airline is performing on a specific route or in aggregate in terms of filling its available seat capacity. Load Factor is calculated as total revenue passenger miles (RPMs) divided by ASMs. RPMs are the general airline metric for measuring the number of miles traveled by paying passengers. For example, a revenue passenger flying one mile equates to one RPM.
- **Yield** – The last measure is airline yield or revenue per passenger mile (RPM). Yield (or RPM) is like RASM, however, yield measures revenue for each passenger-mile sold (RASM measures revenue for each passenger-mile available to be sold). Yield is the industry measurement for price, while load factor is a volume-related measurement. RASM factors in both and, thus, is considered the key airline revenue metric.
- **Cost per Available Seat Mile (CASM)** – CASM is the unit metric used by airlines, expressed in cents, to measure the overall efficiency of a route or the airline. CASM is derived by dividing the operating costs of an airline by ASM. Generally, the lower the CASM, the more profitable and efficient the airline. It is important to note that CASM data is generally only available on an airline-by-airline basis and is not available by airport or by specific routes, therefore it is not examined as part of this study.

In general, the higher the RASM or yield, and the lower the CASM, the more profitable an airline is assuming that the number of ASMs remain constant over time. Since an airline's revenue does not necessarily increase proportionately with the distance they fly, both RASM and yield will typically decrease as the overall length of the trip or stage length increases. Therefore, if an airline increases its overall stage length, it should be expected that RASM and yield will decrease. To account for this, RASM and yields have been adjusted based on the airline's average stage length. For the purposes of this Report and to normalize for varying stage lengths, all stage length adjusted (SLA)[89] values are expressed in a base of 1,000 miles.

Table 2-4 compares key airline revenue metrics for all U.S airlines and the six largest network airlines serving the Airport in YE March 2020 versus FY 2022. Key airline revenue metrics have decreased due to the COVID-19 pandemic. Note that the data presented does not include airline ancillary fees for items such as ticket changes, checked bags, priority seating, etc., as this data is not available by airport. U.S. airlines have realized significant revenues from these ancillary fees.

[89] Stage length adjustments are a common practice used to normalize comparisons of passenger yields and revenue per available seat mile. Stage length adjustments for 1,000 miles are made using the formula:
SLA Value = Value * (observed length of haul/1000)$^{0.5}$.

Table 2-4 Key Airline Revenue Metrics at the Airport (YE March 2020 vs. FY 2022)

	SLA Passenger RASM		Load Factor		SLA Yield	
Airline	YE March 2020	FY 2022	YE March 2020	FY 2022	YE March 2020	FY 2022
Southwest Airlines	10.3¢	10.0¢	80%	83%	13.0¢	12.2¢
American Airlines	13.9¢	13.0¢	79%	81%	17.7¢	16.1¢
Delta Air Lines	13.9¢	13.7¢	83%	80%	16.8¢	17.1¢
United Airlines	13.9¢	14.7¢	79%	83%	17.6¢	17.8¢
Spirit Airlines	2.0¢	4.6¢	64%	78%	3.1¢	5.9¢
Allegiant Air	4.6¢	4.1¢	76%	69%	6.1¢	5.9¢
Airport Average	**11.2¢**	**10.8¢**	**80%**	**81%**	**14.1¢**	**13.3¢**
National Average	**11.8¢**	**10.8¢**	**82%**	**80%**	**14.6¢**	**13.6¢**

Notes: Data include regional affiliates, as applicable, and do not include airline ancillary fees such as charges for checked baggage, etc.
SLA Value = Value * (observed length of haul/1,000)$^{0.5}$
Source: Diio, US DOT Reports DB1A and T100, accessed October 2022.

The load factors at the Airport for nearly all the airlines have nearly returned to pre-pandemic levels apart from Delta Air Lines and Spirit Airlines. However, SLA-RASM and SLA-Yield remain significantly below pre-pandemic levels except for United Airlines and Spirit Airlines. This is a trend seen at nearly every airport in the U.S. as indicated by the national average. However, the difference is even more pronounced at BNA which can be mostly attributed to the growth of LCC and ULCCs over this period.

2.1.5 Southwest Airlines Operations at the Airport

The Airport is of major significance for Southwest. In FY 2019, BNA was the 14th largest market in Southwest's system in terms of departing seating capacity with 5.7 million seats. Early on during the COVID-19 pandemic, Southwest resisted removing seating capacity from the Airport. By FY 2021, the airline had maintained 90.9% of its seating capacity from FY 2019 which was the 3rd lowest reduction in capacity for any airport in the airline's system with more than one million departing seats.[90] Southwest added more seat capacity at the Airport during FY 2022. In FY 2022, Southwest had 6.4 million departing seats, 11.4% more than in FY 2019. This resulted in the Airport in

[90] In FY 2019, 45 out of 102 airports in Southwest Airlines had more than 1 million departing seats.

becoming the 8th largest airport in terms of departing seat capacity in Southwest's airport network. **Table 2-5** presents the number of departing seats for the largest airports in Southwest's network.

Table 2-5 Southwest Airlines Top-20 Airports Ranked by Departing Seats (FY 2019 vs. FY 2022)

		FY 2019		FY 2022	
Name	Code	Departing Seats	Rank	Departing Seats	Rank
Denver International Airport	DEN	10,906,357	4	12,697,477	1
Harry Reid International Airport	LAS	11,139,029	2	10,442,451	2
Chicago Midway International Airport	MDW	12,479,284	1	10,342,696	3
Baltimore/Washington International Thurgood Marshall Airport	BWI	11,118,464	3	9,667,889	4
Dallas Love Field Airport	DAL	9,877,595	5	9,567,044	5
Phoenix Sky Harbor International Airport	PHX	9,496,155	6	9,234,166	6
William P. Hobby Airport	HOU	8,783,651	7	7,556,939	7
Nashville International Airport	**BNA**	**5,725,670**	**14**	**6,377,145**	**8**
Orlando International Airport	MCO	6,449,648	9	5,874,054	9
Oakland International Airport	OAK	6,317,528	11	5,165,096	10
Hartsfield-Jackson Atlanta International Airport	ATL	6,395,207	10	4,755,989	11
St. Louis Lambert International Airport	STL	6,069,462	12	4,730,682	12
Austin International Airport	AUS	3,625,245	20	4,566,909	13
San Diego International Airport	SAN	6,059,973	13	4,318,709	14
Los Angeles International Airport	LAX	6,474,244	8	4,072,392	15
Norman Y. Mineta San Jose International Airport	SJC	4,912,058	15	4,027,073	16
Sacramento International Airport	SMF	4,351,677	18	3,964,984	17
Tampa International Airport	TPA	4,408,442	17	3,528,229	18
Hollywood Burbank Airport	BUR	2,860,563	22	2,995,011	19
Ft Lauderdale-Hollywood International Airport	FLL	4,644,994	16	2,791,808	20

Source: Diio Mi, Schedule – Dynamic Table, Accessed August 2022.

In August 2022, Southwest provided up to 126 departures per day from the Airport to 54 destinations. Over its entire system, Southwest operated almost 4,000 flights per day in August 2022, serving 107 destinations across the U.S. and 14 international destinations to 10 countries. **Figure 2-2** presents Southwest Airlines' route map from the Airport as of August 2022. Southwest Airlines has strong national coverage from the Airport, particularly as it has added service to the western U.S., the largest cities on the east coast, and international service to Cancun. Southwest serves many of the major markets in the U.S. from the Airport on a nonstop basis.

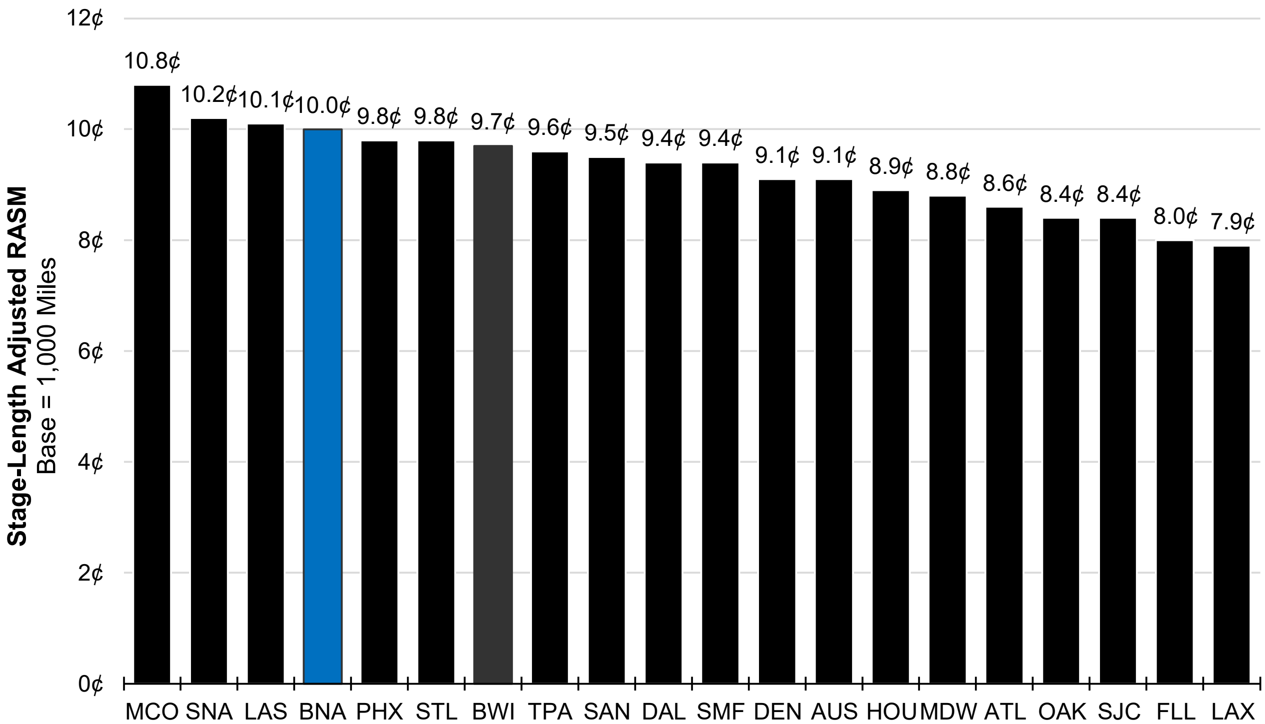
Figure 2-2 Southwest Airlines Map of Nonstop Destinations (October 2022)

● Year-Round ◐ Seasonal

Source: Diio Mi, Schedule – Dynamic Table, Accessed August 2022.

Relative profitability is a key factor to assess when evaluating an airline's performance at an airport. SLA-RASM for Southwest's top-20 airports in terms of passenger volume was analyzed and provided in **Figure 2-3**. In FY 2022, the Airport was the 4th best with an 10.0¢ SLA-RASM among the top-20 largest airports in the airline's system. The SLA-RASM is higher than the system-wide SLA-RASM of 9.1¢.

Figure 2-3 Stage-Length Adjusted RASM at Southwest Airlines Top-20 Airports (FY 2022)



Notes: SLA Value = Value * (observed length of haul/1,000)$^{0.5}$
Source: Diio Mi, Schedule – Dynamic Table, accessed October 2022.

Although there are no immediate plans, the chief executive officer of Southwest, Bob Jordan, has indicated that the company is looking to develop a flight attendant and pilot base at the Airport. In an interview on September 21, 2022 with Nashville Business Journal, Bob Jordan had the following statement:[91]

> *"A lot of that depends on where you want to originate flights, where you want to have aircraft overnight, but I'll just tell you we are looking at that and there is a possibility that Nashville becomes a base…But job one right now is for us to get our whole network restored back to what it was before the pandemic, we're just not there. We're maybe 80% to 85% there right now. So before we put a lot of investment into new places and growing new places, we've got to get the network restored, which basically means we need to get more depth back in some markets"* – Bob Jordan, Southwest Airlines CEO

[91] Nashville Business Journal, Southwest Airlines CEO: 'Nashville is hugely important' as airline eyes future Music City base, September 21, 2022.

2.1.6 American Airlines Operations at the Airport

American was the second largest carrier in terms of passenger traffic at the Airport in FY 2022. In FY 2022, American had 1.5 million enplaned passengers which accounted for 16.0% of the total traffic. The 1.5 million enplaned passengers represent a 9.1% increase in passengers from FY 2019. During FY 2021, American lost 46.2% of its passenger traffic as compared to FY 2019. Based on FY 2022 enplaned passengers, American and Southwest are the only two major network carrier to have recovered and exceeded FY 2019 levels at the Airport at this time. From the Airport, American historically serves its major hubs, focus cities, and large east coast markets.

In August 2022, American operated nonstop service to 13 markets from the Airport, averaging 41.9 daily departures. **Table 2-6** presents an overview of American's service from the Airport for FY 2022. More than half (54.5%) of American's enplaned passengers are provided through three routes: Dallas-Fort Worth International Airport (DFW), CLT, and Miami International Airport (MIA). American operated at an average load factor of 77.7% at the Airport, which is relatively comparable to its system-wide average of 80.2%.

Table 2-6 American Airlines' Operating Statistics at the Airport (FY 2022)

Airport	Code	Enplaned Passengers	Departures	Departing Seats	Load Factor
Dallas/Fort Worth International Airport	DFW	359,708	2,385	418,800	82%
Charlotte Douglas International Airport	CLT	269,892	2,363	320,178	81%
Miami International Airport	MIA	151,199	1,393	189,894	78%
Chicago O'Hare International Airport	ORD	130,000	1,711	158,257	78%
Philadelphia International Airport	PHL	111,341	1,548	137,618	78%
Los Angeles International Airport	LAX	92,538	1,532	123,424	71%
Ronald Reagan Washington National	DCA	80,319	515	91,224	86%
LaGuardia Airport	LGA	69,305	1,273	108,747	62%
Phoenix Sky Harbor International Airport	PHX	49,820	346	60,889	79%
Austin International Airport	AUS	35,555	664	50,426	66%
Raleigh-Durham International Airport	RDU	34,471	631	53,281	50%
Tampa International Airport	TPA	24,063	426	32,376	69%
John F Kennedy International Airport	JFK	23,433	454	34,536	59%
Other		495	11	876	57%
Total		**1,432,139**	**15,252**	**1,780,526**	**78%**

Source: Diio, US DOT T100, accessed October 2022.

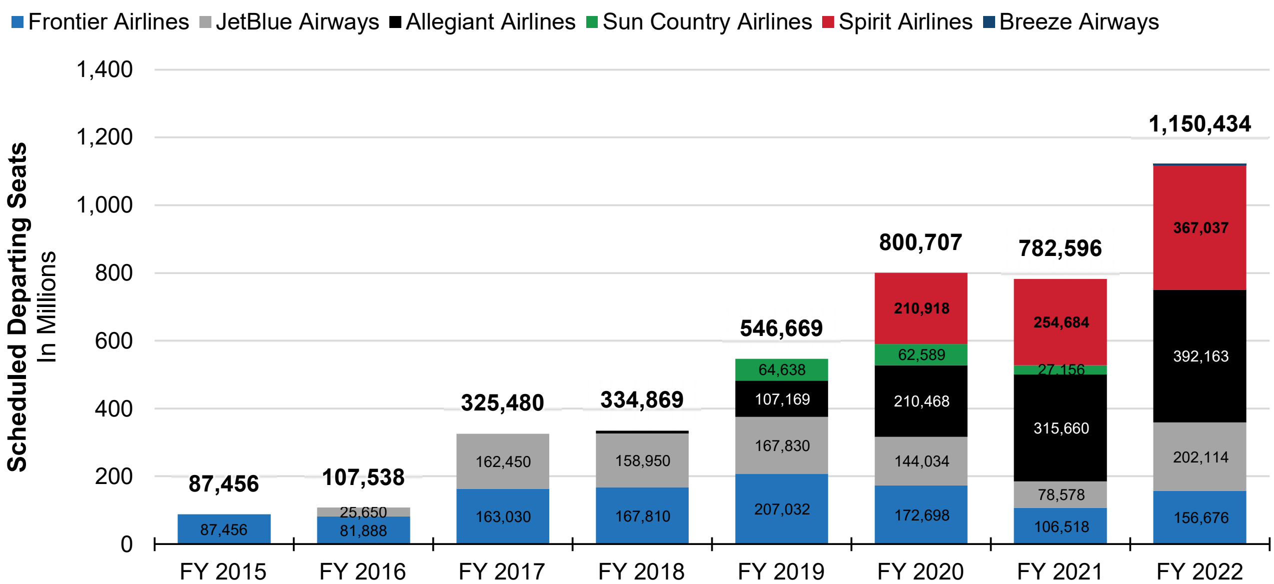
2.1.7 Low-Cost and Ultra-Low-Cost Carrier Operations at the Airport

In FY 2016, JetBlue began daily scheduled service to Boston Logan International Airport (BOS) and Fort Lauderdale-Hollywood International Airport (FLL) from the Airport. In that same year, Frontier Airlines significantly increased its operations at the Airport. The combined effect was that scheduled service by LCCs and ULCCs increased by 272.2%. The following year, Allegiant Air began service to seven markets from the Airport. It expanded its service in FY 2019. Sun Country began scheduled service in FY 2019 to nine markets. Spirit Airlines began service in October 2019 and has aggressively added service over the past two years. Most recently, Breeze Airways and Avelo Airways began service.

The introduction of LCCs and ULCCs at an airport can significantly drive down airfares, which can stimulate new incremental passenger demand as airfares become more comparable to the cost of other transportation options. LCCs and ULCCs generally attract more leisure travel because of lower airfares. This business model has fared better during the COVID-19 pandemic as leisure travel has recovered at a faster rate than business travel.

Overall, LCC and ULCC service at the Airport increased from 87,456 scheduled departing seats serving two markets during FY 2015 to more than 1.1 million scheduled departing seats (or 9.7% of the Airport's total seats) in FY 2022. **Figure 2-4** graphically depicts the growth of this segment of passenger traffic over the past eight years.

Figure 2-4 Seating Capacity for LCCs and ULCCs



Diio Mi, Schedule – Dynamic Table, accessed October 2022.

2.2 Air Traffic Activity and Trends

This section analyzes historical trends in air traffic activity at the Airport including enplaned passengers, aircraft operations, and aircraft landed weight. It also discusses the primary factors affecting these trends. This section identifies, to the extent data are available, air traffic trends at the Airport that have been impacted by the COVID-19 pandemic.

2.2.1 Enplaned Passengers

Passenger activity at an airport drives numerous revenues and financial measures including such items as non-airline revenues (e.g., parking, rental cars, terminal concessions, etc.), Passenger Facility Charge (PFC) revenues, rental car Customer Facility Charge (CFC) revenues, and FAA Airport Improvement Program (AIP) entitlement grant distributions. Enplaned passengers are also the denominator for airline cost per enplaned passenger (CPE). The relationship of the enplaned passengers to the Airport's financial performance is discussed in more detail in Chapter 4 of this Report. **Table 2-7** presents the historical enplaned passengers at the Airport categorized by O&D and connecting for the period of FY 2012 through FY 2022.

2.2.1.1 FY 2012 through FY 2019

From FY 2012 through FY 2015, the Airport experienced a steady upward trend, reflecting a CAGR 4.7% during this period and enplaned passenger levels reached 5.6 million in FY 2015. All the carriers were able to increase load factors during this period.

In FY 2016, Southwest added more than 200,000 departing seats as compared to FY 2015, which resulted in an increase in enplaned passengers of more than 300,000 as load factors also increased. United added over 100,000 departing seats in FY 2016 and saw an increase of almost 100,000 enplaned passengers. Delta and American experienced smaller scale growth. FY 2016 also saw the reintroduction of JetBlue Airways and the introduction of new carriers WestJet and Alaska Airlines to the Airport. Overall, enplaned passengers increased by 9.6% in FY 2016 as compared to FY 2015.

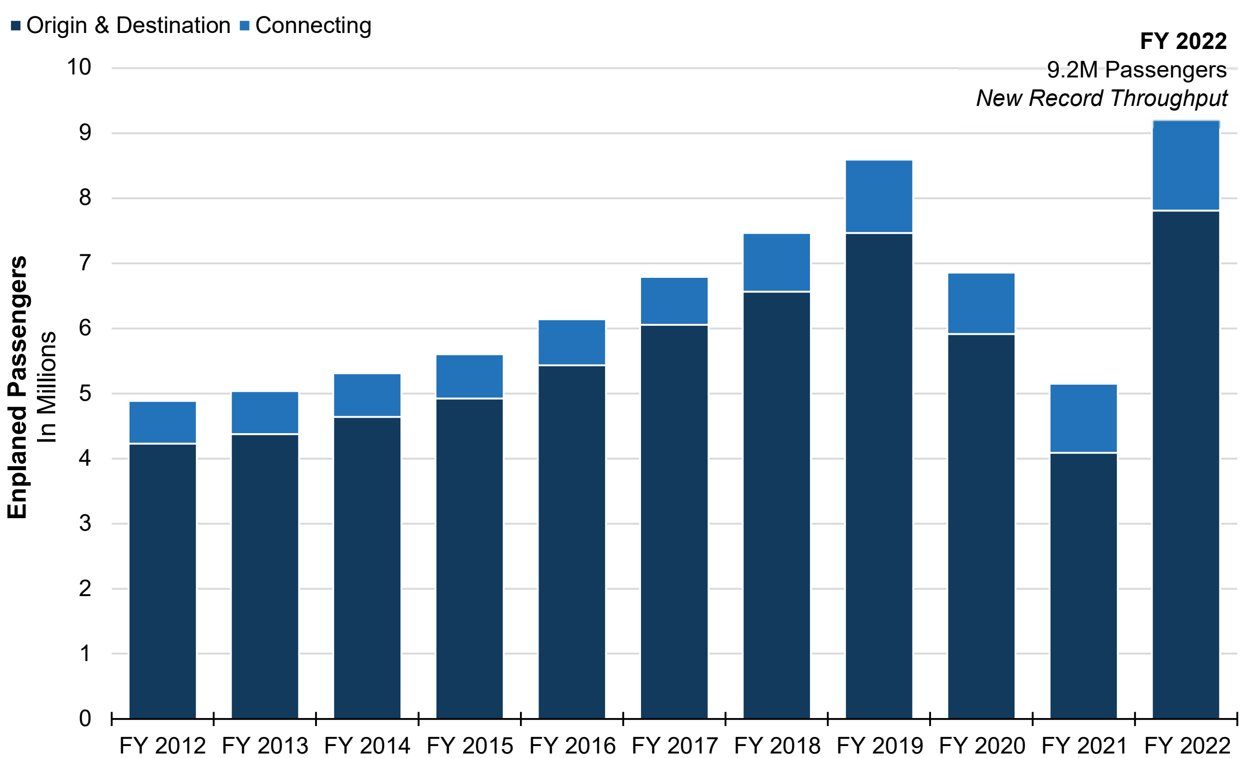
All the primary carriers at the Airport had significant increases in enplaned passengers in FY 2017 and FY 2018, led by Southwest, which had an increase in enplaned passengers of more than 600,000 during those two years. Frontier Airlines more than doubled its seating capacity in FY 2017, resulting in almost 70,000 more enplaned passengers for the year. Additionally, a full year of service from JetBlue, WestJet, and Alaska; expanded service from Air Canada; and new service from Contour Airlines in FY 2017, and British Airways and Allegiant in FY 2018 contributed to significant increases in enplaned passengers at the Airport. Enplaned passengers increased by 10.6% in FY 2017 and 10.0% in FY 2018 over the prior years.

Southwest continued to grow in FY 2019, increasing capacity to nearly all its current markets and adding new service. The airline realized more than 500,000 additional enplaned passengers in FY 2019 than the previous year. American, Delta, and United all increased capacity by more than 100,000 departing seats each resulting in a combined increase of nearly 350,000 enplaned passengers over FY 2018. Combined with a full year of service from British Airways and Allegiant and new service from Sun Country, total enplaned passenger at the Airport increased by 1.1 million or 15.1% in FY 2019.

Table 2-7 Historical Enplaned Passengers (FY 2012 – FY 2022)

Fiscal Year	O&D	Connecting	Total	Year-Over-Year Growth Rate	Percent O&D
FY 2012	4,230,186	653,188	**4,883,374**		86.6%
FY 2013	4,377,724	660,251	**5,037,975**	3.2%	86.9%
FY 2014	4,642,078	669,943	**5,312,021**	5.4%	87.4%
FY 2015	4,921,671	682,477	**5,604,148**	5.5%	87.8%
FY 2016	5,432,175	708,917	**6,141,092**	9.6%	88.5%
FY 2017	6,056,566	733,533	**6,790,099**	10.6%	89.2%
FY 2018	6,564,656	901,676	**7,466,332**	10.0%	87.9%
FY 2019	7,465,886	1,130,421	**8,596,307**	15.1%	86.8%
FY 2020	5,914,305	944,090	**6,858,395**	(20.2%)	86.2%
FY 2021	4,086,178	1,065,480	**5,151,658**	(24.9%)	79.3%
FY 2022	7,812,956	1,404,754	**9,217,710**	78.9%	84.8%

Range		Average Annual Growth Rate	
FY 2012-19	8.5%	8.2%	**8.4%**
FY 2019-22	1.5%	7.5%	**2.4%**
FY 2012-22	6.3%	8.0%	**6.6%**

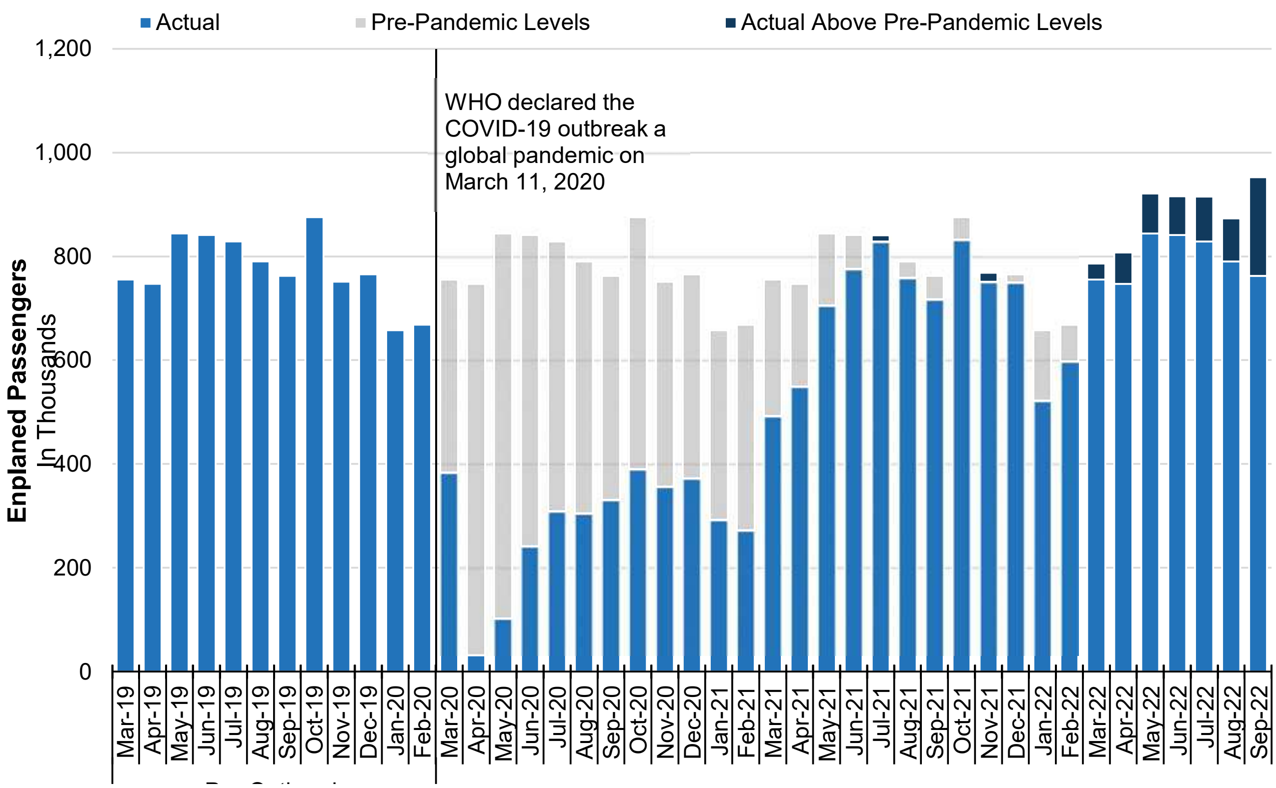


Source: Metropolitan Nashville Airport Authority, Passenger Activity Report.

2.2.1.2 COVID-19 Pandemic Impact: FY 2020 through FY 2022

Beginning in March 2020, enplaned passengers at the Airport decreased dramatically because of the impacts associated with the COVID-19 pandemic. These impacts included international travel restrictions and stay-at-home orders throughout the U.S. **Figure 2-5** presents the monthly enplaned passengers for the 12 months prior to the pandemic through year-to-date 2022. As shown, in March 2020, enplaned passengers decreased by 49.2% from March 2019. The decrease continued into April when enplaned passengers were 95.8% lower than April 2019. Overall, enplaned passengers decreased by 20.2% in FY 2020 as compared to FY 2019 levels with most of the impact occurring after mid-March 2020 when the impacts from the COVID-19 pandemic generally took hold in the U.S. Since April 2020, enplaned passengers at the Airport have recovered nearly every month. In July 2021, enplaned passengers exceeded pre-pandemic volumes for the first time with 1.4% more than July 2019. Outside of November 2021, enplaned passengers returned to below pre-pandemic levels through February 2022. However, enplaned passengers have been significantly higher than pre-outbreak levels from March 2022 through June 2022. In June 2022, enplaned passengers were 8.9% higher as compared to June 2019. For the entire FY 2022, enplaned passengers were 7.2% higher than in FY 2019 as FY 2022 set a new enplaned passenger record for the Airport. In September 2022, enplaned passengers set a new all-time single month record at the Airport and were approximately 25% higher than September 2019.

Figure 2-5 Monthly Enplaned Passengers (March 2019 – September 2022)



Source: Metropolitan Nashville Airport Authority, Passenger Activity Report.

2.2.2 Aircraft Operations

Airlines' decisions on aircraft type and the number of operations to accommodate passenger demand ultimately determine overall aircraft landed weight. Airlines are constantly evaluating how to best serve passenger demand with their available aircraft fleet. In markets that exhibit strong business travel, an airline may decide to operate smaller aircraft on a route several times per day to offer customers more choice and redundancy. In other cases, an airline may choose to offer larger aircraft and less frequency. Airlines also make decisions to change aircraft capacity on routes in response to load factors and profitability. Aircraft fleet mix and operations are important considerations for airport operators when planning for the appropriately sized airport facilities and to ensure the airport has sufficient capacity to accommodate operations in the future. **Table 2-8** presents the aircraft operations at the Airport from FY 2012 through FY 2022. Commercial aircraft operations at the Airport refers to commercial passenger and all-cargo aircraft operations. Non-commercial aircraft operations at the Airport refers to general aviation (GA) and military aircraft operations. Aircraft operations in FY 2022 have exceeded FY 2019 pre-pandemic levels.

2.2.2.1 FY 2012 through FY 2019

The Great Recession[92] forced airlines to re-examine their operations in an effort to remain financially sound. As a result, many airlines implemented cost-saving measures and eliminated many poor performing routes with low load factors. Additionally, airlines opted to use larger aircraft where feasible. Small regional jets (aircraft with 50 or fewer seats) were retired at an accelerated rate. From FY 2012 through FY 2015, aircraft operations remained relatively stable as they increased the average number of seats to accommodate the increasing passenger traffic. According to the U.S. Department of Transportation Air Carrier Statistics database (T-100), the average number of seats on departing aircraft at the Airport increased from an average of 99.3 seats in FY 2012 to 111.3 seats in FY 2015. However, accelerated passenger growth has resulted in an increase in aircraft operations through FY 2019. In FY 2019, the average number of seats per scheduled aircraft departure reached 125.9. The result is that scheduled commercial aircraft operations increased from FY 2012 through FY 2019 at a CAGR of 3.1%, mostly driven by changes in passenger aircraft operations. From FY 2012 to FY 2019, GA aircraft operations have increased at a CAGR of 3.2% and military aircraft operations decreased from at a CAGR of -0.2%.

2.2.2.2 COVID-19 Pandemic Impact: FY 2020 through FY 2022

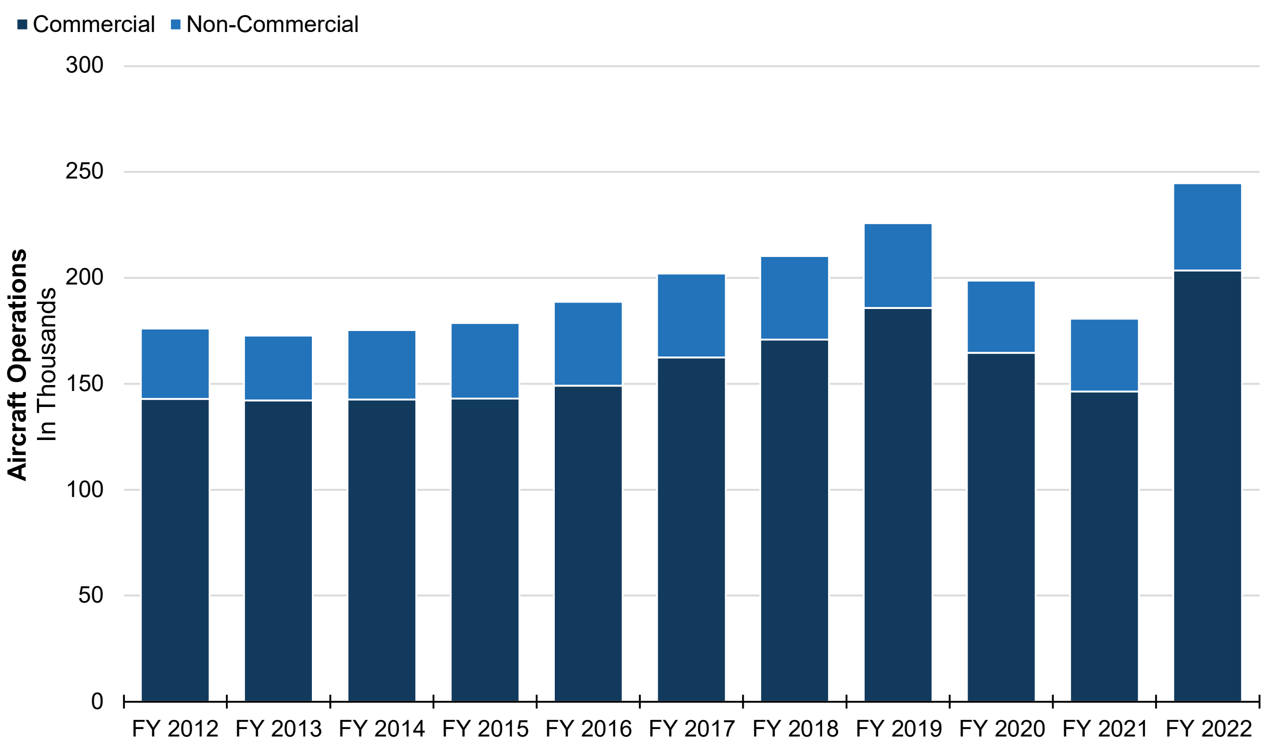
In response to the significant decrease in enplaned passengers in the U.S. and at the Airport during the ongoing COVID-19 pandemic, the airlines reduced the number of daily flights. **Figure 2-6** depicts the monthly aircraft operations for the 12 months prior to the pandemic through year-to-date 2022. As shown, starting in March 2020, aircraft operations decreased by approximately 13.1% from March 2019, compared to 49.2% for enplaned passengers. Normally, aircraft operations would be more directly related to enplaned passengers. However, there was an initial reluctance to remove flights from flight schedules because of the implementation of social distancing practices (i.e., restricting the use of middle seats in some cases). The decrease continued into April 2020 and May 2020 when aircraft operations were 67.8% and 63.6% lower than the same months in the prior year, respectively. Aircraft operations in July 2021 exceeded its pre-pandemic levels for the first time with 1.3% more aircraft operations than July 2019. Since then, there have only been two months (January and February 2022) where aircraft operations dropped below pre-pandemic levels. In June 2022, aircraft operations were 7.3% higher as compared to June 2019. For the entire year FY 2022, aircraft operations 8.3% higher than in FY 2019.

[92] The Great Recession was a major U.S. economic recession that occurred between December 2007 and June 2009.

Table 2-8 Historical Aircraft Operations (FY 2012 – FY 2022)

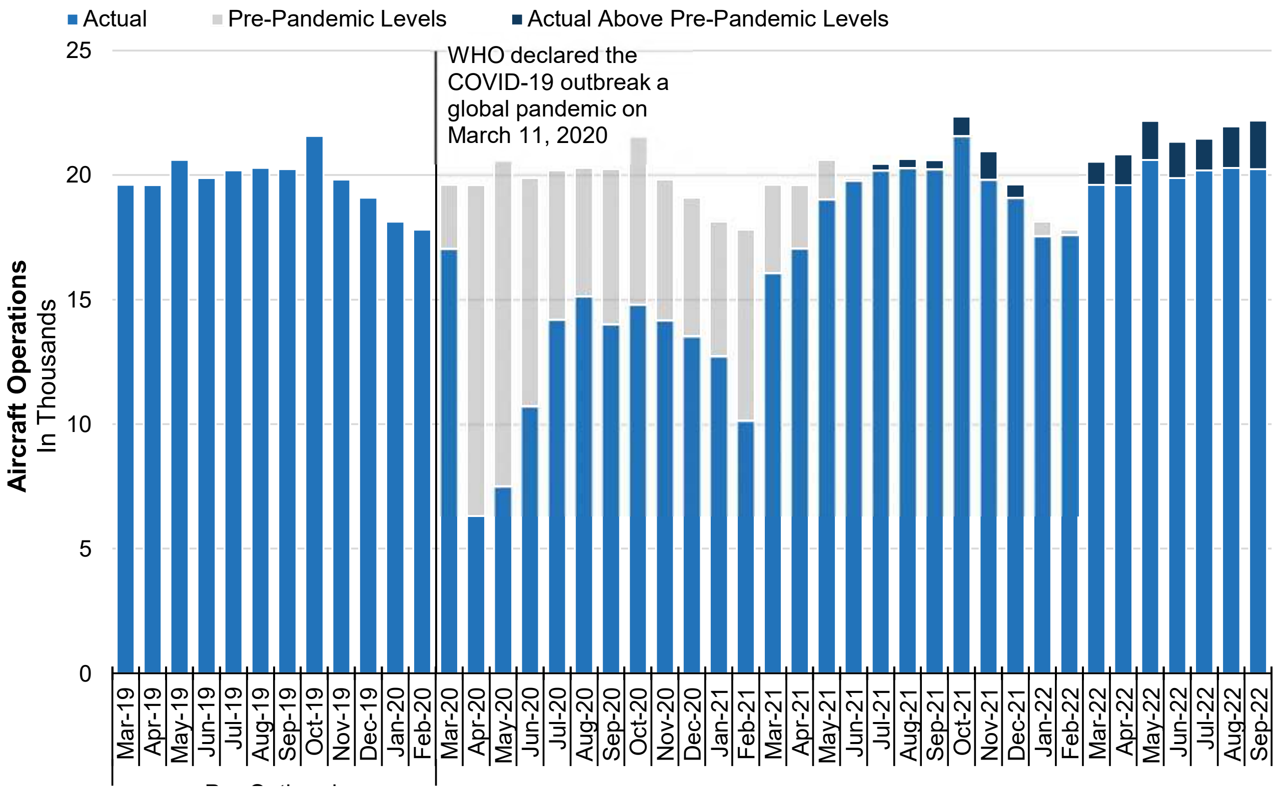
Fiscal Year	Air Carrier	Air Taxi	General Aviation	Military	Total	Year-Over-Year Growth Rate
FY 2012	91,551	51,275	29,902	3,332	**176,060**	
FY 2013	93,579	48,609	28,631	1,942	**172,761**	-1.9%
FY 2014	96,602	46,021	30,947	1,782	**175,352**	1.5%
FY 2015	105,709	37,261	32,861	2,901	**178,732**	1.9%
FY 2016	115,769	33,338	35,428	4,219	**188,754**	5.6%
FY 2017	128,859	33,598	35,402	4,225	**202,084**	7.1%
FY 2018	140,280	30,530	36,424	3,123	**210,357**	4.1%
FY 2019	155,894	29,963	37,258	2,697	**225,812**	7.3%
FY 2020	141,597	23,097	31,126	2,902	**198,722**	-12.0%
FY 2021	124,480	21,883	31,285	3,005	**180,653**	-9.1%
FY 2022	174,827	28,698	38,416	2,681	**244,622**	35.4%

Range	Average Annual Growth Rate				
FY 2012-19	7.9%	-7.4%	3.2%	-3.0%	**3.6%**
FY 2019-22	3.9%	-1.4%	1.0%	-0.2%	**-2.7%**
FY 2012-22	6.7%	-5.6%	2.5%	-2.2%	**3.3%**



Source: Metropolitan Nashville Airport Authority, Passenger Activity Report.

Figure 2-6 Monthly Aircraft Operations (March 2019 – September 2022)



Source: Metropolitan Nashville Airport Authority, Passenger Activity Report.

2.2.3 Aircraft Landed Weight

Aircraft landed weight, as expressed in 1,000-pound units, is the sum of the maximum gross certificated landing weight as certified by the FAA for passenger and all-cargo aircraft landing at the Airport. Per the Airport Use and Lease Agreement with the Signatory Airlines that operate at the Airport, aircraft landed weight is used as the denominator in the calculation of landing fees that are used to recover the net costs of the Airport. Therefore, landed weight is an important measure for the Airport as it provides a method to recover costs from each airline based on its share of landed weight. **Table 2-9** presents the landed weight at the Airport from FY 2012 through FY 2022.

2.2.3.1 FY 2012 through FY 2019

Aircraft landed weight at the Airport increased from 6.1 million units in FY 2012 to 10.0 million units in FY 2019, representing a CAGR of 7.1%. This growth was mostly attributed to passenger airlines which increased at a CAGR of 7.3% but all-cargo airlines and miscellaneous operations also contributed to landed weight growth, increasing at a CAGR of 3.0%.

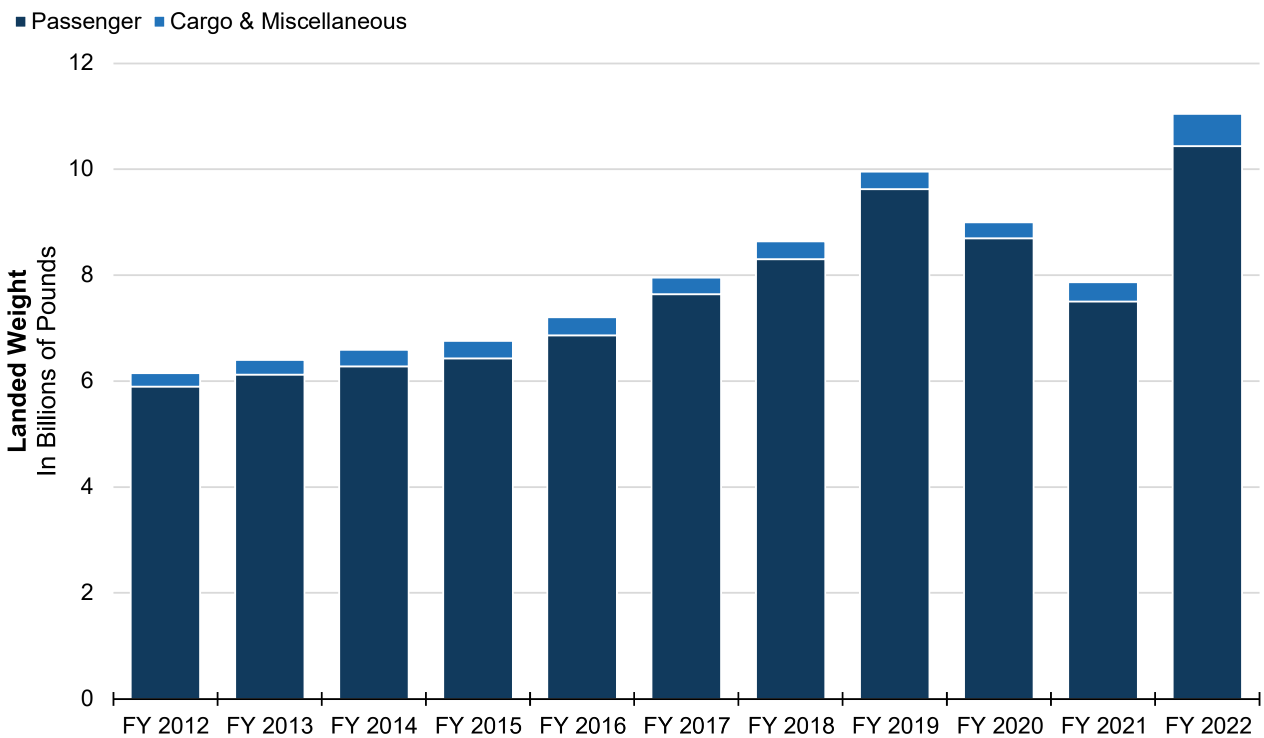
2.2.3.2 COVID-19 Pandemic Impact: FY 2020 through FY 2022

Figure 2-7 depicts the monthly aircraft landed weight for the 12 months prior to the outbreak through year-to-date 2022. As shown, starting in March 2020, aircraft landed weight decreased by approximately 6.8% from March 2019, compared to 49.2% for enplaned passengers and 13.1% for aircraft operations. The decrease continued into May when aircraft landed weight was 68.6% lower than May 2019. Since May 2020, aircraft landed weight at the Airport has consistently recovered. Aircraft landed weight in July 2021 exceeded its pre-pandemic levels for the first time with 1.5% from July 2019. Since then, there have only been three months where aircraft landed weight dropped below pre-outbreak levels. In June 2022, aircraft landed weight was 10.6% higher as compared to June 2019. For the entire year FY 2022, aircraft landed weight was 8.3% higher than in FY 2019.

Table 2-9 Historical Landed Weight (FY 2012 – FY 2022)

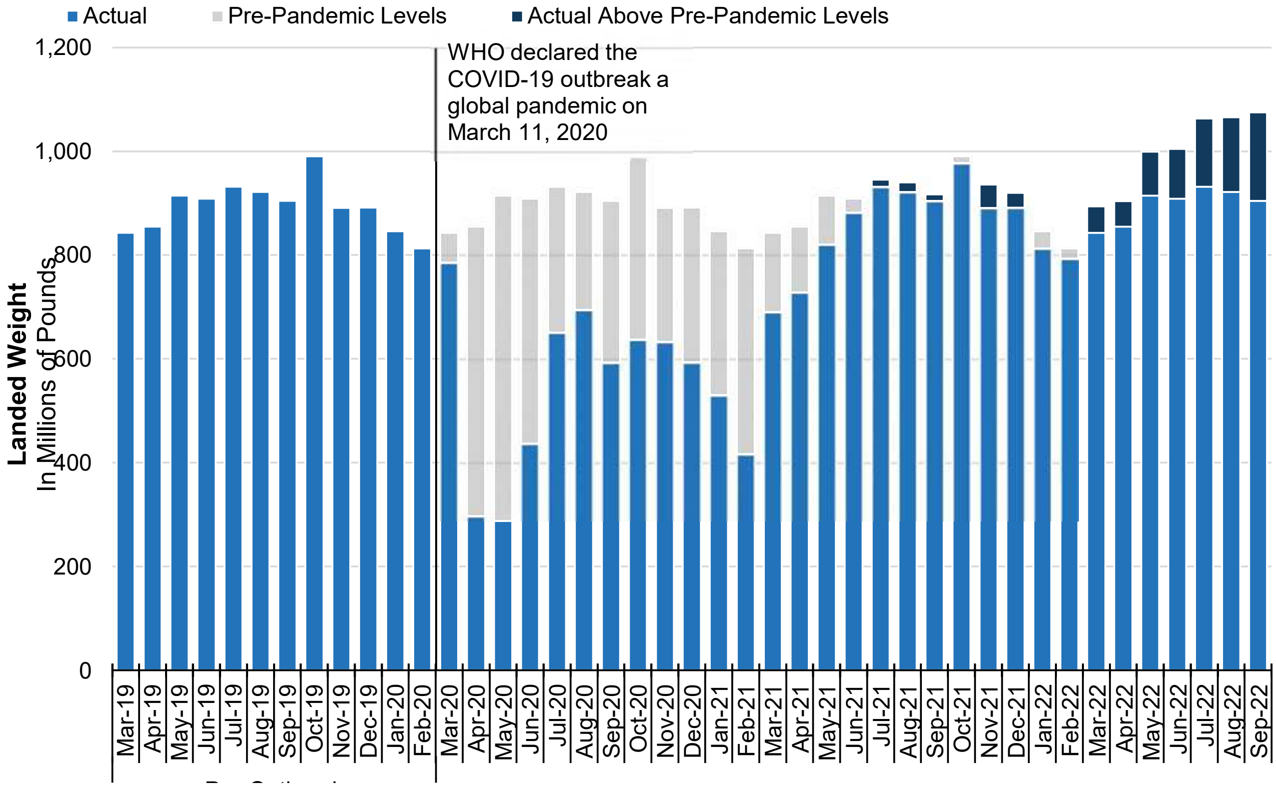
Fiscal Year	Passenger Airlines	Cargo & Miscellaneous	Total	Year-Over-Year Growth Rate
FY 2012	5,902,619	244,138	**6,146,757**	
FY 2013	6,139,694	261,389	**6,401,083**	4.1%
FY 2014	6,317,400	300,986	**6,618,386**	3.4%
FY 2015	6,452,897	304,279	**6,757,176**	2.1%
FY 2016	6,897,732	305,642	**7,203,374**	6.6%
FY 2017	7,667,898	285,758	**7,953,656**	10.4%
FY 2018	8,334,906	305,994	**8,640,900**	7.4%
FY 2019	9,651,984	300,413	**9,952,397**	16.5%
FY 2020	8,718,832	276,583	**8,995,415**	-9.6%
FY 2021	7,515,129	354,109	**7,869,238**	-12.5%
FY 2022	10,461,252	582,109	**11,043,361**	40.3%

Range	Average Annual Growth Rate		
FY 2012-19	7.3%	3.0%	**7.1%**
FY 2019-22	2.7%	24.7%	**3.5%**
FY 2012-22	5.9%	9.1%	**6.0%**



Source: Metropolitan Nashville Airport Authority, Passenger Activity Report.

Figure 2-7 Monthly Landed Weight (March 2019 – September 2022)



Source: Metropolitan Nashville Airport Authority, Passenger Activity Report.

2.3 Key Factors Affecting Air Traffic Demand

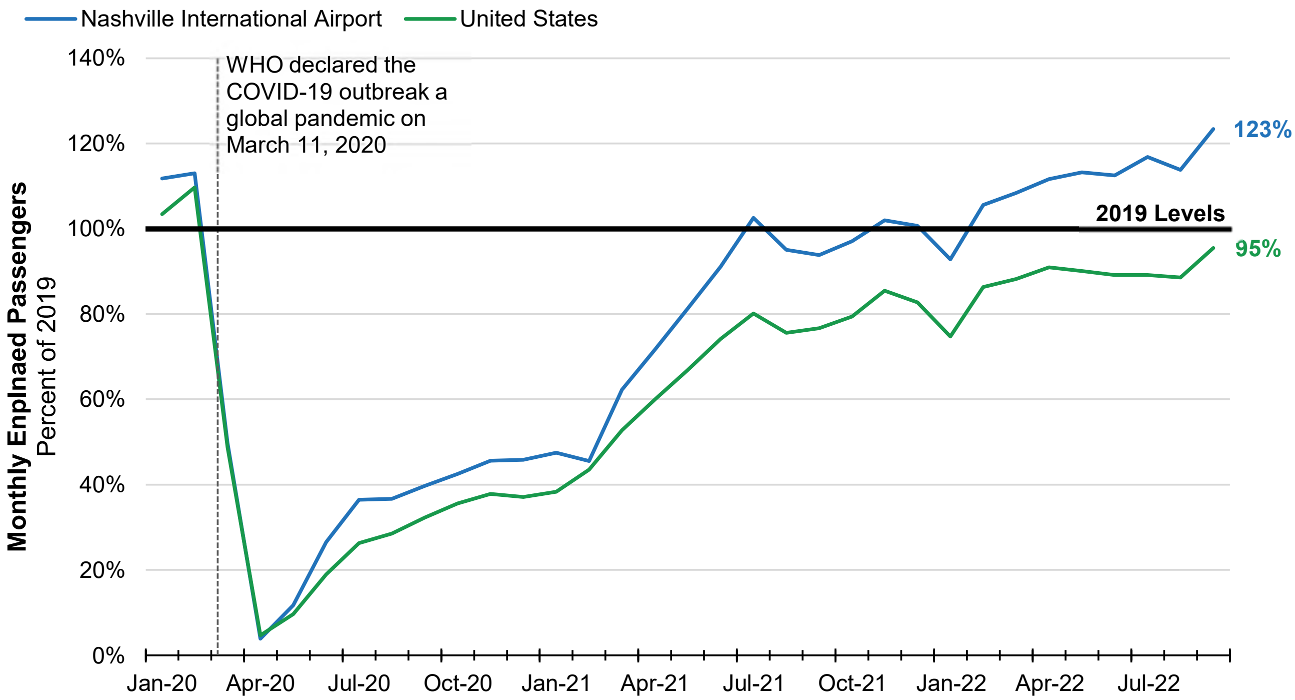
The following section addresses certain key factors that could impact air traffic activity, both nationwide and at the Airport.

2.3.1 The COVID-19 Pandemic

While passenger traffic, and to a lesser extent aircraft operations and landed weight, was dramatically affected by the impacts associated with the COVID-19 pandemic initially, it started to recover during the spring of 2020. However, during the fall of 2020, the recovery seemed to stall before more recovery during the holiday season in 2020. The recovery of air traffic nationwide slowed again during the early winter months in 2021 but had a more rapid recovery over the rest of 2021. Travel over the holiday season in 2021/2022 was strong; however, airline staffing issues caused in part by COVID-19 variants, along with winter weather, caused many flight cancelations and delays. The ongoing effects of the COVID-19 pandemic have resulted in and are expected to continue to result in fluctuations to certain routes and service at the Airport due to factors including seasonality, demand, public health, labor and staffing availability, and other considerations.

Figure 2-8 depicts the impacts associated with the COVID-19 pandemic to passenger checkpoint throughput at both the Airport and for the overall U.S based on data from the TSA. This figure presents the recovery trend for passenger checkpoint throughput as a percent of 2019 levels. As shown, the impact to the Airport's passenger checkpoint throughput tracked closely with the nationwide trend early in the pandemic, decreasing to an unprecedented trough of around -94.3% of the prior year's levels in April 2020. Starting in May 2020, TSA checkpoint throughput for the Airport and the U.S. started to slowly recover. In the summer of 2021, the rate of recovery at the Airport was substantially faster than the national average and by July 2021, throughput exceeded 2019 levels for the first time since the beginning of the pandemic. Through the fall of 2021, throughput remained near pre-pandemic levels. However, starting in February 2022 recovery at the Airport accelerated and has remained above pre-pandemic levels. The nation has experienced a slower rate of recovery and remains below 2019 levels. Through September 2022, the Airport was at 123.0% of 2019 TSA monthly checkpoint throughput, while the overall U.S. average was at 95.0%.

Figure 2-8 **Comparison of Airport and U.S. Monthly TSA Checkpoint Throughput (March 2020 – September 2022)**



Note: Data is through September 30, 2022.
Sources: Metropolitan Nashville Airport Authority, October 2022.
Transportation Security Administration, accessed October 2022.

2.3.2 Economic Conditions and Events

Historically, the U.S. economy, as measured by GDP, has generally grown at a relatively steady rate, averaging 3.1% per annum between 1960 and 2019. The rate of growth had been remarkably stable reflecting both the size and maturity of the U.S. economy. Individual years have fluctuated from the long-term trend for a variety of reasons including macroeconomic factors, fuel shocks, war, and terrorist attacks.

Prior to 2020, there were two official economic recessions in the U.S. in the 21st century. The first occurred between March 2001 and November 2001 and was compounded by the September 11, 2001 terrorist attacks. The negative impact of these events on the airline industry is well documented. The recession itself was short-lived by historical standards and the economy returned to positive growth quickly, fueled by a gradual but prolonged reduction in interest rates. The Great Recession occurred between December 2007 and June 2009.[93] As a result of the Great Recession, the nation's unemployment rate rose from 5.0% in December 2007 to a high of 10.0% in October 2009.[94]

The outbreak of COVID-19 in early 2020 and the declaration of a pandemic by the WHO on March 11, 2020, coupled with the subsequent travel restrictions led to disruptions of economies around the world, resulting in dramatic increases in unemployment and significant decreases in air traffic. According to the BEA, real GDP decreased at an annual rate of 31.4% in the second quarter of 2020 after decreasing by 5.0% in the first quarter of 2020. In comparison, the worst decrease in GDP during the Great Recession was 8.4% in the fourth quarter of 2008. There was significant recovery in GDP in the third quarter of 2020, increasing 33.4%. Growth was followed by increases of 4.3% in the fourth quarter of 2020, 6.3% in the first quarter of 2021, and 6.5% in the second and third quarters of 2021. In the second quarter of 2021, GDP exceeded the level experienced in the fourth quarter of 2019. **Figure 2-9** depicts the magnitude of the impact the COVID-19 pandemic has had on the U.S. economy when compared to other major past recessions.

Current estimates for GDP show a contraction in the first two quarters of 2022. Traditionally, two consecutive quarters of contraction is the benchmark used to determine if a country has entered a recession. The National Bureau of Economic Research defines a recession as a significant decline in economic activity that is spread across the economy and lasts more than a few months.[95] Economic markers such as unemployment (which fell to 3.5% in July), rising wages, and consumer spending indicate that the economy is stronger than what is indicated by the contraction in GDP.

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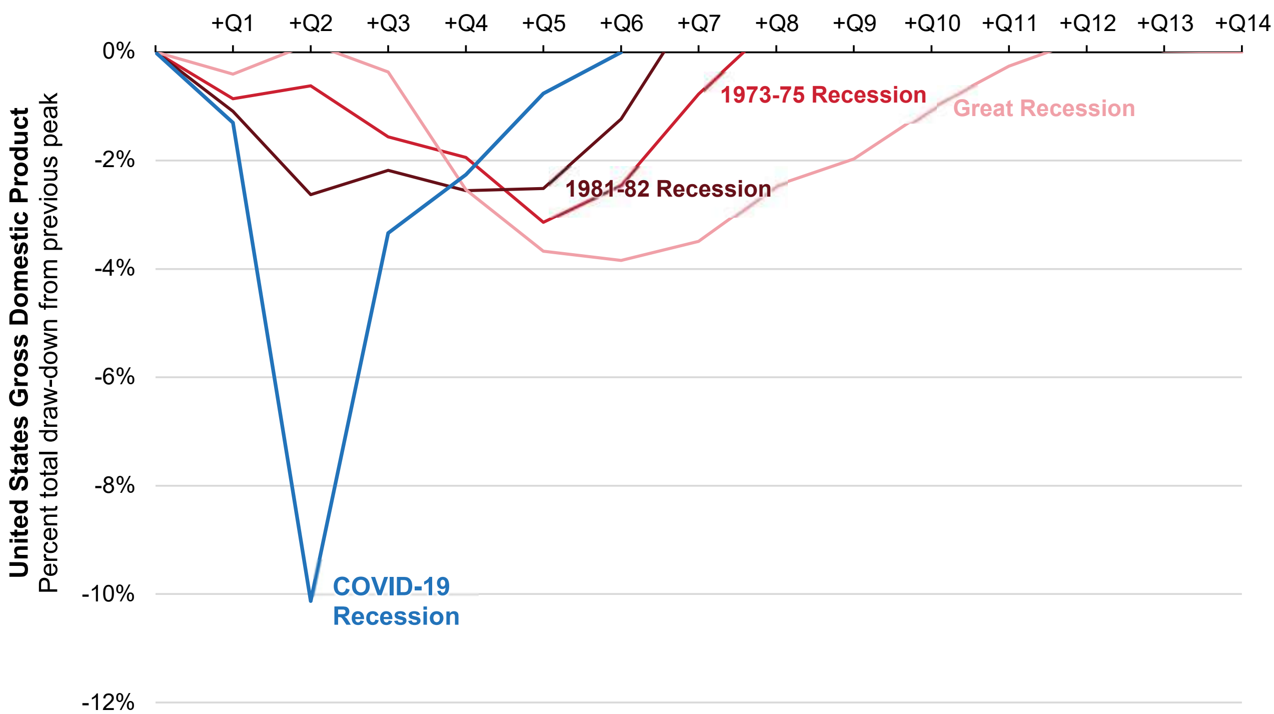
93 National Bureau of Economic Research, U.S. Business Cycle Expansions and Contractions, September 20, 2010.
94 Ibid.
95 National Bureau of Economic Research, Business Cycle Dating

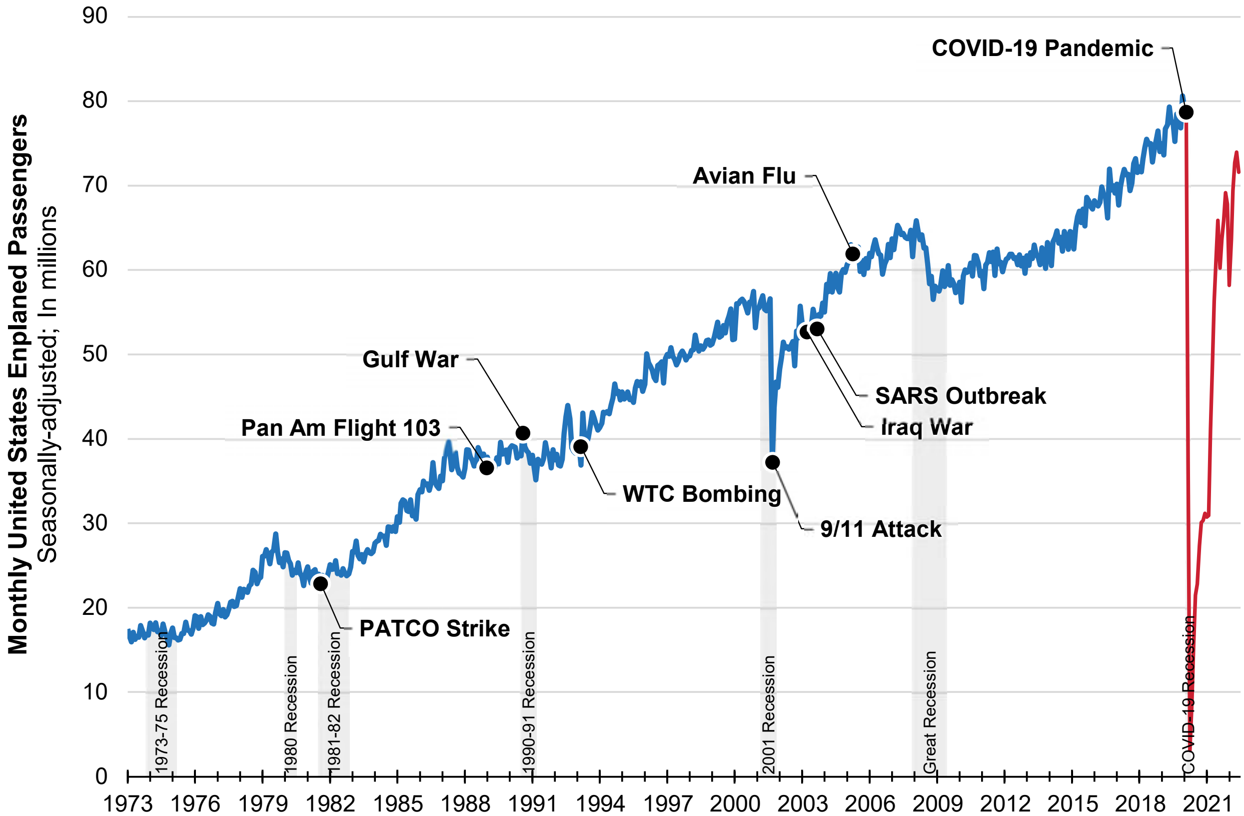
Figure 2-9 Major U.S. Economic Recessions with Recoveries Lasting at Least Six Months



Source: U.S. Bureau of Economic Analysis, National Income and Product Accounts, June 2022.

Figure 2-10 shows how enplaned passenger traffic in the U.S. has experienced long-term growth. During periods of economic contractions and exogenous events, there is a notable decline in passenger volumes, and during the subsequent economic expansions and recovery periods, there is significant growth in passenger volumes. Additionally, exogenous shocks such as terrorist attacks have generally had a short but significant impact on passenger volumes. As presented in this figure, the COVID-19 pandemic has been the most disruptive event to impact aviation in history. There is still some uncertainty around when air traffic on a national level will recover to "pre-COVID-19" levels. However, it is assumed that the ultimate ability to reach and/or maintain manageable infection rates of COVID-19 throughout the world will play a significant role in restoring passenger confidence in air travel and airlines being able to return to pre-COVID-19 levels.

Figure 2-10 U.S. Aviation System Shocks and Recoveries (through June 2022)



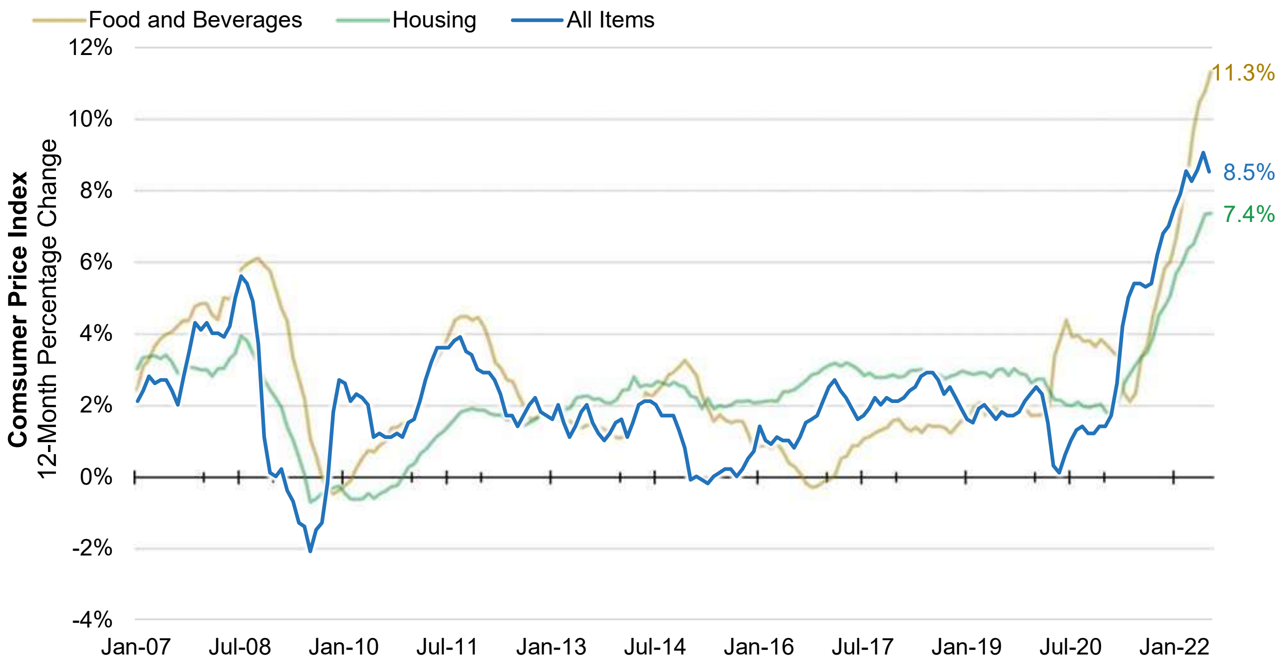
Note: Excludes non-revenue enplaned passengers.
Source: U.S. Bureau of Transportation Statistics, U.S. Air Carrier Traffic Statistics; National Bureau of Economic Research, U.S. Business Cycle Expansions and Contractions.

The war between Russia and Ukraine, which started in late February 2022, is expected to have further impacts to the global economy and, potentially, international passenger demand to the region. The conflict and related sanctions are expected to reduce global trade, investment, and overall economic activity and there is still uncertainty regarding the impacts of the war, its potential reach, and its duration. The International Air Transport Association (IATA) estimates that up to roughly one percentage point of global GDP growth to be lost.[96] Though Russia and Ukraine are important to the world economy as large exporters of energy, precious metals, wheat, and other commodities, the two together account for less than 2% of global GDP. Most major economies have only limited trade exposure to Russia; only 0.5% of U.S. trade is with Russia. The economy of Russia, on the other hand, is likely to see a double-digit contraction this year, and for Ukraine the outcome will in all probability be worse still. Historically, the Airport has not had nonstop service to cities in Russia or Ukraine.

96 https://www.iata.org/en/iata-repository/publications/economic-reports/the-impact-of-the-conflict-between-russia-and-ukraine-on-aviation/. Accessed March 23, 2022.

Increases in inflation can have a negative impact on passenger traffic if inflation increases at a faster rate than income. The consumer price index (CPI) is a measure of the average change over time in the prices paid by urban consumers for consumer goods and services. Consumer prices began to increase in April 2021 as the country continued to recover from the recession associated with the COVID-19 pandemic, driven in large part by rising fuel and food prices. Global supply chain issues also attributed to increases to the CPI. The average cost of goods and services began to climb at an accelerated rate beginning June 2021 with items like food, fuel, and housing being directly impacted. In August 2022 the CPI increased to 8.2% over June 2021. **Figure 2-11** graphically depicts how CPI in the U.S. has changed since January 2007. Inflation has reached historically high levels that have not been experienced for approximately 40 years.

Figure 2-11 Consumer Price Index (January 2007 – August 2022)



Source: United States Bureau of Labor Statistics, Consumer Price Index (CPI) Databases.

At present, there is much uncertainty around the global economy and the events currently unfolding with the COVID-19 pandemic, the war between Russia and Ukraine, a global recession, oil prices, and inflation. Future waves of COVID-19, a prolonged or expansion of the war beyond Russia and Ukraine, oil prices, other socioeconomic conditions, and their impacts to the global economy could have a further negative impact on national air passenger demand in the future.

2.3.3 The U.S. Airline Industry

2.3.3.1 Airline Profitability

In 2008 and 2009, the U.S. airline industry decreased capacity, particularly in short-haul markets with smaller, short range aircraft types. The result has been significant improvement in yields, RASM, and subsequent profitability prior to outbreak of the COVID-19 pandemic. In recent years prior to the COVID-19 pandemic, the U.S. airline industry had been at its most stable, profitable point in history. According to the Bureau of Transportation Statistics (BTS), the 23 U.S. scheduled passenger airlines reported a pre-tax net operating profit of $15.8 billion in CY 2019, which was a 19.7% increase from 2018 and marked the eleventh consecutive year of pre-tax operating profits. The scheduled passenger airlines reported an operating profit margin of 7.5% in 2019, which was up from 6.3% in 2018.[97] Profitability during this period can also be attributed to airlines unbundling services and increasing the use of ancillary fees such as charges for checked baggage.

As a result of the impacts of the COVID-19 pandemic, U.S. airlines incurred record losses in 2020 and into 2021. The U.S. DOT has reported that U.S. scheduled passenger airlines reported four straight quarter after-tax net loss beginning in the second quarter of 2020. For four quarters ending first quarter 2021, airlines experienced an after-tax net loss of $34.0 billion.[98] However, U.S. airlines had a $1.0 billion profit in the second quarter of 2021, the first profit since the beginning of the COVID-19 pandemic, followed by a $2.7 billion profit in the third quarter of 2021.[99] The International Air Transport Association (IATA) estimates that globally airlines lost $126.4 billion in 2020. In 2021, IATA projects losses to be cut to $47.7 billion as revenues rise to $458 billion.[100] To help support U.S. air carriers through this crisis, which is evident by the recent financial performance stated above, in March 2020, the U.S. Senate passed by unanimous vote the CARES Act. Under Title IV of the CARES Act, Congress approved $500 billion in federal assistance to severely distressed sectors of the economy as part of the larger $2 trillion stimulus package. The approved programs include $61 billion to the airline sector as follows:

i) $29 billion in loans and loan guarantees for air carriers, FAA Part 145 aircraft repair stations and ticket agents;

ii) $32 billion in payroll protection grants for air carriers and their contractors; and

iii) Relief to air carriers from federal excise taxes that apply to transporting passengers and cargo and the purchase of aviation jet fuel.

The $25 billion to passenger air carriers, $4 billion to cargo air carriers, and $3 billion to contractors were allocated for support under CARES Act funds.[101] As a condition of accepting these funds, U.S. airlines were required to (1) refrain from imposing involuntary furloughs on U.S.-based employees or reducing employee pay or benefits through September 30, 2020; (2) maintain certain limitations on executive compensation through March 24, 2022; (3) suspend the payment of dividends or other distributions and cease stock buybacks through September 30, 2021; and (4) continue service as is reasonable and practicable under DOT regulations. Enacted on December 27, 2020, the Consolidated Appropriations Act (including CARES) created the Payroll Support Program Extension (PSP2) which allocated another $15 billion to passenger air carriers and $1 billion to contractors. Most recently, the

97 Bureau of Transportation Statistics, 2019 Annual and 4th Quarter U.S. Airline Financial Data.
98 Bureau of Transportation Statistics, U.S. Airlines Narrow Net Loss in 1st Quarter 2021 from 4th Quarter 2020, https://www.bts.gov/newsroom/us-airlines-narrow-net-loss-1st-quarter-2021-4th-quarter-2020.
99 Bureau of Transportation Statistics, U.S. Airlines' Net Profit in 3rd Quarter 2021 Nearly Triples 2nd Quarter, https://www.bts.gov/newsroom/us-airlines-net-profit-3rd-quarter-2021-nearly-triples-2nd-quarter.
100 International Air Transport Association, Reduced Losses but Continued Pain in 2021, https://www.iata.org/en/pressroom/pr/2021-04-21-01/
101 Department of the Treasury, Payroll Support Program Payments, https://home.treasury.gov/policy-issues/cares/preserving-jobs-for-american-industry/payroll-support-program-payments

American Rescue Plan Act of 2021 extended assistance to passenger air carriers and contractors that received financial assistance under PSP2 for an additionally $14 billion and $1 billion respectively.

As further discussed in Section 2.3.4 below, jet fuel prices have risen sharply since the start of the Ukraine war, and upward pressures on fuel prices are expected to continue. Based on U.S. DOT Form 41 data for 2021, fuel costs represented just over 33% of airlines' operating expenses. All airlines will be directly impacted by the rising jet fuel prices and have two options in terms of managing the increased cost of fuel; they must either absorb the costs themselves, which will further impact airline profit margins, or pass the higher fuel costs on to passengers through higher air fares which could reduce demand for air travel. Southwest Airlines currently holds fuel hedges valued at $1 billion to provide insurance against fuel spikes and offset the market prices increase. This will help the airline to be able to maintain low prices while continuing to profit.

As discussed above, it is expected that the airlines will continue to experience financial challenges for the foreseeable future until air traffic is able to recover to pre-pandemic levels. It is generally assumed that the airlines will continue to right-size capacity to meet demand and evolve business models in the near-term.

2.3.3.2 Airlines Bankruptcies and Mergers

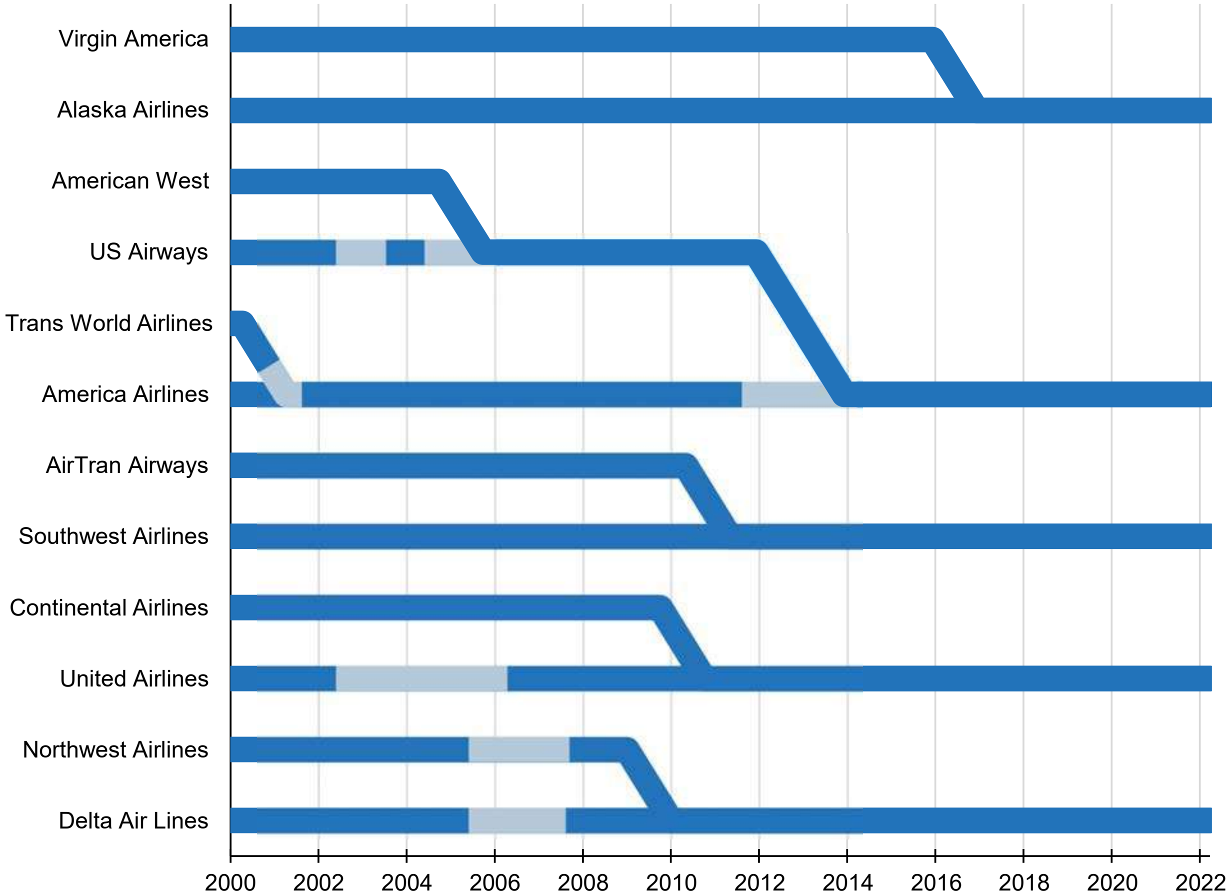
Over the past two decades, the U.S. airline industry has undergone a significant transformation. Although it had been profitable in recent years prior to the impacts associated with the COVID-19 pandemic, the U.S. airline industry cumulatively experienced losses of approximately $62 billion from 2000 through 2009 on domestic operations. Many airlines filed for Chapter 11 bankruptcy protection and some ceased operations altogether. During this period, airlines suffered from excess capacity, which drove down yields. Yields adjusted for inflation had dropped by approximately 70%. With oil prices spiking to near $150 per barrel in 2008, industry changes were critical. As a result, all the major network airlines restructured their route networks and reached agreements with lenders, employees, vendors, and creditors to decrease their cost structure.

As discussed above, the airlines have experienced significant financial difficulty given the significant passenger decreases caused by the impacts associated with the COVID-19 pandemic. As of December 9, 2021, five U.S. airlines including three regional carriers and one charter airline have ceased operations primarily as a result of the COVID-19 pandemic.[102] As of June 2022, no U.S. scheduled mainline passenger airline has filed for Chapter 11 or ceased operations. However, given the ongoing financial struggles and the uncertain recovery of air traffic, it is possible that airlines may file for bankruptcy protection or potentially cease operations in the future as a result of the COVID-19 pandemic or other risk factors.

Industry consolidation has taken place as a result of competitive pressures and economic conditions. Many airlines have merged or been acquired since the turn of the 21st century. **Figure 2-12** provides a graphical representation of the major U.S. airline mergers during this period. These mergers have resulted in less competition among the airlines and increased pricing power. The potential impacts associated with consolidation include limited industry seats, limited capacity growth, and increases in fares.

[102] The five U.S. airlines that have gone bankruptcy in 2020 are the regional carriers: ExpressJet (UA), Trans States Airlines (UA), and Compass Airlines (AA and DL), and the charter carriers: Miami Air International, and Shoreline Aviation. The major carriers served by the regional partner carriers contracted with other carriers to provide regional service.

Figure 2-12 **Major U.S. Airline Mergers of the 21st Century[1]**



Note: Lighter shading indicates bankruptcy.
Source: Airlines for America, U.S. Airline Mergers and Acquisitions.

It is expected that airlines will continue to enter into partnerships and code-share agreements in attempts to seek competitive advantages. For example, in early 2021, American entered into partnerships with both Alaska Airlines for markets in the western U.S. and JetBlue Airways for markets in the eastern U.S. On July 28, 2022, JetBlue and Spirit Airlines approved a new merger agreement, which will create the fifth largest airline in the U.S. This merger still awaits approval from U.S. Department of Justice, and if approved, is likely over a year away from consummation.

2.3.4 Aviation Fuel

The price of oil and the associated cost of jet fuel has historically been one of the largest operating costs affecting the airline industry. In 2000, jet fuel sold to end users averaged $0.89 per gallon. The average cost of jet fuel increased steadily through 2007. However, in 2008, crude oil prices and, consequently, jet fuel surged in price as a result of strong global demand, a weak U.S. dollar, commodity speculation, political unrest, and a reluctance to materially increase supply. In July 2008, jet fuel reached an average price of $4.01 per gallon, nearly double the price the year prior. Reduced demand in 2009 stemming from the global financial crisis and subsequent economic downturn resulted in a sharp decline in price. However, as the economic climate improved and political unrest continued in the Middle East, oil prices increased in the subsequent three years. The increase in the price of jet fuel put upwards pressure on airline operating costs. As a result, airlines cut capacity or increased fares, and sometimes both. The average price of jet fuel dropped significantly in 2015 and 2016, reaching a low of $1.03 per gallon in February 2016. Since then, jet fuel prices increased steadily to a peak of $2.25 in October 2018 before falling to $1.70 per gallon in December 2019 due to increased oil supplies. In 2019, jet fuel prices remained fairly stable, averaging approximately $1.90 per gallon from February 2019 through January 2020.

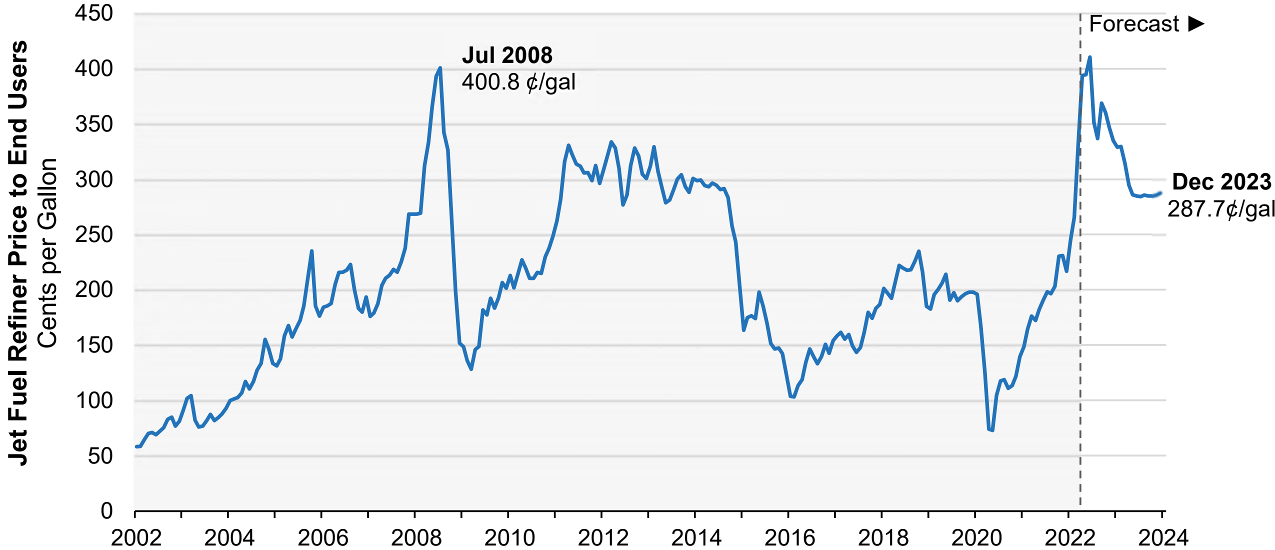
As a result of the COVID-19 pandemic, the global demand for crude oil and fuel decreased dramatically starting in January 2020. As a result, the price of crude oil dropped below $20 per barrel in April 2020. Since then, crude oil supply curtailments have caused oil prices to recover. Prices hovered near $40 per barrel from early June 2020 through December 2020, then increased to $92 per barrel in February 2022. Following the start of the war with Russia and Ukraine, crude oil prices reached nearly $109 per barrel in March 2022, receded to approximately $102 per barrel in April 2022 and increased again back to nearly $115 per barrel in June 2022.

Jet fuel prices have risen sharply since the start of the Ukraine war and upward pressures on prices will likely continue, particularly if more stringent sanctions are applied to the Russian energy sector and depending on potential increases in production elsewhere. The U.S. Energy Information Administration (EIA) provides forecasts of jet fuel refiner price to end users in a report entitled Short-Term Energy Outlook. In the October 2022 release, the EIA projects that jet fuel prices will reach $2.877 per gallon by December 2023. **Figure 2-13** presents the historical price for jet fuel refiner price to end users and the EIA's forecast of that price.

Future fuel prices and availability are uncertain and fluctuate based on numerous factors. These can include supply-and-demand expectations, geopolitical events, fuel inventory levels, monetary policies, and economic growth estimates. Historically, certain airlines, such as Southwest, have also employed fuel hedging as a practice to provide some protection against future fuel price increases.

Aviation fuel costs will continue to impact the airline industry in the future. If aviation fuel costs increase significantly over current levels, air traffic activity could be negatively affected as airlines attempt to pass costs on to consumers through higher airfares and fees in order to remain profitable. At this time, alternative fuels are not yet commercially cost effective.

Figure 2-13 Jet Fuel Prices (January 2002 – December 2023)



Source: U.S. Energy Information Administration, Short-Term Energy Outlook (October 2022).

2.3.5 Pilot Shortage

At the onset of the COVID-19 pandemic, airlines were faced with a surplus of personnel resulting from the sudden and dramatic decline in traffic. As a result, airlines offered their employees buyouts and early retirement packages. In total, it is estimated that approximately 10% of pilots took early retirement during the pandemic.[103] In addition, an aging pilot population is expected to continue to compound the issues arising from early retirements caused by the pandemic. FAA airman certification statistics shows that 28% of the 170,086 people with an airline transport pilot (ATP) certificate are 60 years of age or older and are due to retire over the next five years. In contrast, only 4.4% of people with an ATP certification were under the age of 30.

The recovery of air traffic demand in the U.S. was relatively modest from April 2020 through February 2021. However, starting in March 2021, passenger demand has increased more rapidly and has since recovered to more than 90% of the passenger levels experienced in 2019. As a result of this rapid recovery and the airlines' inability to quickly replace their retired pilots, airlines have experienced shortages of trained pilots to fly aircraft. The pilot shortage problem has been more amplified during peak travel periods throughout the year. In particular, regional airlines have been hit the hardest by the pilot shortage. Unable to provide the wages of the larger airlines, the regional airlines have been losing their pilots to the mainline carriers who are attempting to fill their needs. As a result, the regional airlines have had to scale back or in some cases eliminated service to smaller markets including some subsidized through Essential Air Service.

In order to meet this demand, airlines are quickly attempting to backfill the positions left open by pilot retirements by hiring and training new pilots. However, in addition to offering early retirement to its pilots, the airlines also to trimmed back their pilot training programs to cut costs during the pandemic. The Regional Airline Association estimated that 4,346 new pilots qualified for their ATP certificates in 2021 compared to 6,664 in 2019. The U.S.

[103] CNN, A shortage of pilots could keep the airlines from making a real comeback.

airline industry is hoping to add approximately 13,000 pilots in 2022, more than double the previous record in annual hiring.[104]

According to a report from Oliver Wyman, by 2029 the increased demand for pilots is expected to outpace the supply creating a pilot shortage of approximately 60,000 pilots worldwide and nearly 21,000 in North America.[105] In the U.S., there are currently several potential measures being explored to help alleviate the pilot shortage, including:

- Raising the federally mandated retirement age for airline pilots from 65 to 67
- Reducing flight-hour requirements before joining a U.S. carrier
- Lowering the barrier to entry for training programs such as dropping the requirement for a four-year degree
- Creating gateway programs such as Alaska's Ascend Pilot Academy and United's Aviate Academy which offer financial aid and scholarships to lessen to the cost of becoming a pilot

If the pilot shortage continues to become more widespread in the industry, the passenger airlines may not be able to meet future passenger demand, and would be required to reduce their seat capacity, resulting in material impacts to future passenger traffic in the U.S and internationally.

2.3.6 Aviation Security

Since the September 11, 2001, terrorist attacks (9/11), government agencies, airlines, and airport operators have upgraded security measures to guard against threats and to maintain the public's confidence in the safety of air travel. Security measures have included cargo and baggage screening requirements, deployment of explosive detection devices, strengthening of aircraft cockpit doors, the increased presence of armed air marshals, awareness programs for personnel at airports, and new programs for flight crews. Aviation security is under the control of the federal government through the TSA.

The threat of terrorism poses risks to the continued growth of the aviation industry. Although terrorist events targeting aviation interests would likely have negative and immediate impacts on the demand for air travel, the industry and demand have historically recovered from such events. There have been terrorist attacks at airports internationally including at Brussels Airport in March 2016, the Istanbul Atatürk Airport in June 2016, and the Paris Orly Airport in March 2017. So long as government agencies continue to seek processes and procedures to mitigate potential risks and to maintain confidence in the safety of aircraft, without requiring unreasonable levels of costs or inconvenience to the passengers, economic influences are expected to be the primary driver for aviation demand as opposed to security and safety.

2.3.7 National Air Traffic Capacity

The U.S. aviation system has a major impact on the national economy because it provides a means of transporting people and cargo over long distances in a relatively short period. As demand for air travel increases, the national aviation system must maintain enough capacity to allow for travel without unacceptable delays or congestion. It is generally assumed that the required infrastructure improvements needed to maintain capacity will keep pace with demand. Although not likely over the Forecast Period evaluated herein, the inability of the national aviation system to keep pace with demand could create congestion and delays on a national level that could adversely affect the passenger experience and impact future demand.

[104] Regional Airline Association, 2021 Regional Airline Association Annual Report.
[105] Oliver Wyman, After COVID-19, Aviation Faces a Pilot Shortage.

2.4 Air Traffic Activity Forecast

This section presents the air traffic activity forecast including the key assumptions used to develop those projections.

This section contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. The air traffic activity projections included in this Report represent L&B’s opinion, based on information available to L&B as well as estimates, trends and assumptions that are inherently subject to economic, political, regulatory, competitive and other uncertainties, all of which are difficult to predict and many of which will be beyond the control of L&B. Prospective investors should assume that the restrictions and limitations related to the ongoing COVID-19 pandemic, and the current impacts to the air travel industry and the national and global economies, could increase at least over the near term, and, therefore, have an adverse impact on Airport revenues. As a result, projected results may not be realized, and actual results could be significantly higher or lower than projected. L&B is not obligated to update, or otherwise revise, the projections or the specific portions presented to reflect circumstances existing after the date when made or to reflect the occurrence of future events, even in the event that any or all of the assumptions are shown to be in error.

2.4.1 Forecast Assumptions

Forecasts of air traffic activity were developed based on an analysis of the underlying economic conditions of the Air Service Area, airline traffic trends, and an assessment of Southwest’s continued focus on the region. In general, it was assumed that in the long-term, growth in O&D passenger traffic at the Airport will occur as a function of growth in population and the economy of the Air Service Area. In addition, several other assumptions are incorporated into the forecasts including the following:

- The airlines will continue to add capacity that is in line with demand and GDP growth.
- Long-term nationwide growth in air travel will occur over the Forecast Period consistent with forecast growth in the economy.
- After a brief period of near record prices, aviation fuel prices will retrack but remain higher relative to historical levels.
- There will be no major disruption of airline service or airline travel behavior over the Forecast Period.

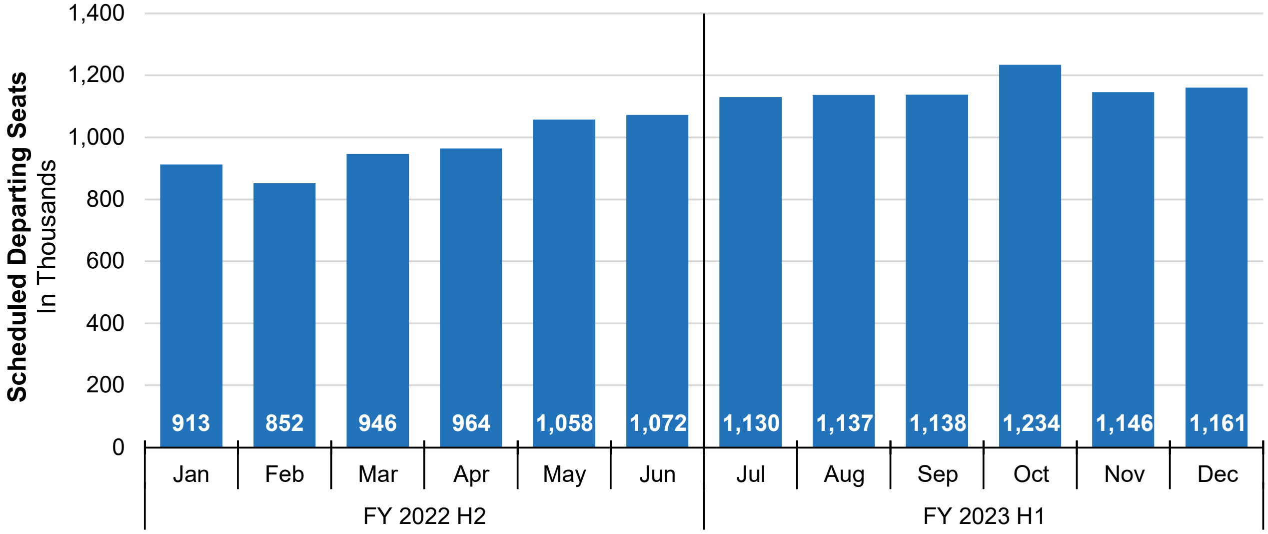
2.4.2 Enplaned Passenger Forecast

2.4.2.1 Shorter-Term Forecast

A review of departing seats for CY 2022 was conducted to help develop an estimate for enplaned passengers for FY 2023. **Figure 2-14** provides the monthly departing seats currently scheduled through December 2022. As shown, there are 6.9 million departing seats scheduled for the first half of FY 2023, compared to 5.8 million for the second half of FY 2022. In the second half of FY 2022, the Airport had 4.6 million enplaned passengers, a 78.4% load factor. Assuming the airlines maintain a 75.0% load factor for the first half of FY 2023, that would equate to approximately 5.2 million enplaned passengers.

In FY 2019 and FY 2022, the first half of the year accounted for approximately 50% of the enplaned passengers for the year. Assuming this same relationship between the first and second half of the fiscal year is maintained in FY 2023, and assuming that load factors are maintained at 75%, then enplaned passengers at the Airport would total approximately 10.4 million in FY 2023.

Figure 2-14 Scheduled Departing Seats at the Airport



Sources: Diio Mi, Schedule – Dynamic Table, Accessed August 2022; Landrum & Brown Analysis.

2.4.2.2 *Longer-Term Forecast*

For the purposes of this Report, L&B developed an independent long-term forecast of enplaned passengers that takes into consideration number of standard industry forecasting techniques such as econometric regression modeling, trend analysis, market share, and time series. It was determined that economic regression models were the most appropriate to project enplaned passengers at the Airport. Econometric regression modeling quantifies the relationship between enplaned passengers and key socioeconomic variables. This methodology recognizes that the key independent variables will change over time and assumes that their fundamental relationships with the dependent variables will remain.

The first step in developing the appropriate models was to test the independent, or explanatory, variables against the dependent variables, domestic and international enplaned passengers. In order for an econometric model to be considered appropriate, the following must be true:

i) Adequate test statistics (i.e. high coefficient of determination (R^2) values and low p-value statistics), which indicate that the independent variables are good predictors of passengers at the Airport.

ii) The analysis does not result in theoretical contradictions (e.g., the model indicates that GDP growth is negatively correlated with traffic growth).

iii) The results are not overly aggressive or conservative or are incompatible with historical averages.

Through the testing of multiple sets of independent variables, a univariate linear model was selected to project enplaned passengers at the Airport. The model uses historical enplaned data from FY 2003 through FY 2022, excluding FY 2020 and FY 2021 which were removed as outliers due to the COVID-19 pandemic, and the Air Service Area's employment. This model exhibits strong regression statistics when compared to models with other combinations of independent variables. The model was used to determine an estimated number of enplaned passengers through FY 2031.

Based on models and the set of assumptions detailed above, enplaned passengers are forecast to increase 4.1% per annum from FY 2022 through FY 2031. The result is that enplaned passengers are forecast to increase from 9.2 million in FY 2022 to 12.5 million in FY 2031.

2.4.3 Authority's Strategic Enplaned Passenger Forecast

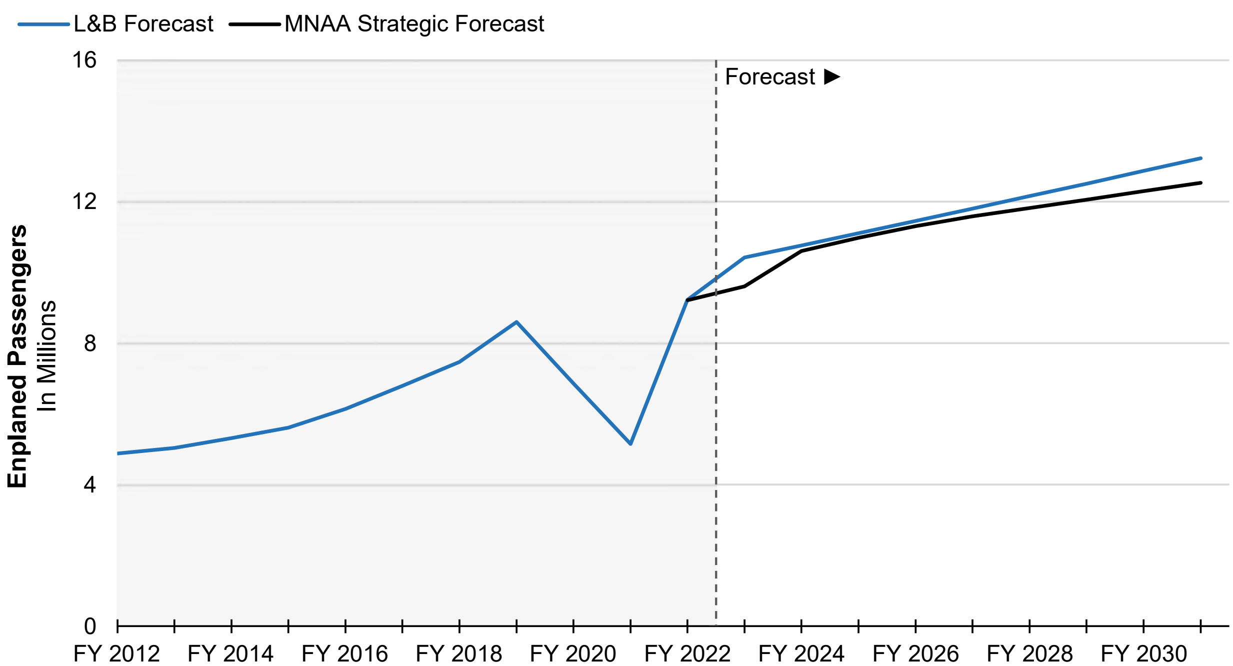
For planning purposes, including for use in the on-going negotiations with the airlines serving the Airport for the Proposed Signatory Passenger Airline Agreements, the Authority developed a strategic enplaned passenger forecast. This forecast was based on the forecast developed for the Airport's Master Plan, and revised upwards to account for the high level of growth realized prior to the pandemic. During the pandemic, the Authority continued to revise its strategic forecast to assume a realistic, yet conservative, recovery of traffic. For FY 2023, the Authority budgeted for 9.6 million enplaned passengers, which is below the approximately 10.4 million enplaned passengers resulting from L&B's shorter-term projection.

The Authority's strategic forecast assumes more recovery from the COVID-19 pandemic to occur in FY 2024 which realigns closer to the L&B projections developed in this analysis. In FY 2024, the Authority's strategic forecast assumes 10.6 million enplaned passengers while the L&B analysis projects 10.8 million. The long-term growth rates in the Authority's strategic forecast are consistently below those projected by the L&B. Therefore, it can be concluded that the Authority's longer-term forecast is also conservative in nature.

For the purposes of the financial analysis in this Report, L&B has adopted the Authority's strategic forecast of enplaned passengers.

Figure 2-15 depicts the Authority's strategic forecast for enplaned passengers as well as the independent projection developed by L&B.

Figure 2-15 Enplaned Passenger Projection for the Airport



Sources: Metropolitan Nashville Airport Authority records based on reports from the FAA; MNAA Strategic Activity Forecast; Landrum & Brown Analysis.

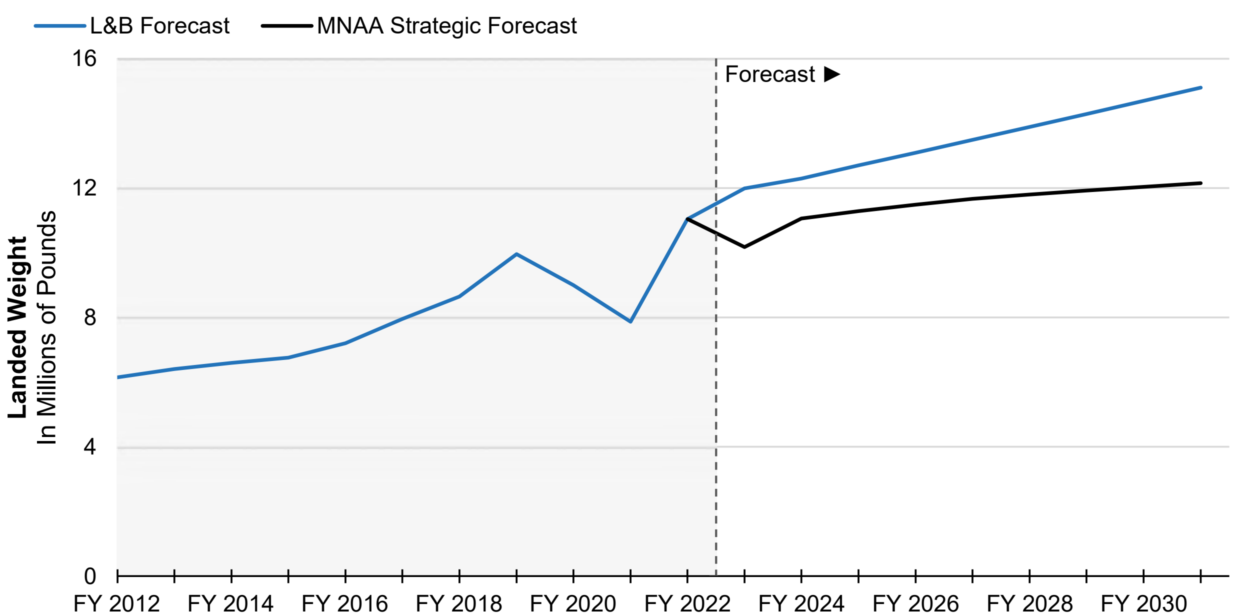
2.4.4 Aircraft Landed Weight Projection

During the height of the pandemic, passenger aircraft landed weight per enplaned passenger increased significantly as load factors dropped due to lower demand and the need to implement of social distancing practices. For the purposes of the forecast of landed weight developed independently by L&B, it is assumed that the passenger aircraft landed weight per enplaned passenger will return to pre-pandemic levels in FY 2023 and remain at that level through FY 2031. The result is that passenger landed weight would increase from approximately 10.4 billion pounds in FY 2022 to 14.7 billion pounds in FY 2031, which represents a CAGR of 2.9% from FY 2022 through FY 2031 compared to the 3.0% CAGR projection for enplaned passengers. Prior to the pandemic, there was a slight upward trend in all-cargo landed weight since FY 2010. In FY 2022, there was a large surge in all-cargo landed weight due to increased demand for goods. It is believed that this will be temporary and all-cargo landed weight will return to FY 2019 levels in FY 2023. For future years, a linear trend model was used to project future landed weight for all-cargo. The result is that all-cargo landed weight will increase at a CAGR of 2.5%, increasing from 330 million pounds in FY 2023 to 403 million pounds in FY 2031.

The Authority has also developed and maintained a strategic forecast of landed weight based on the same approach and demand recovery assumptions as enplaned passengers. The combined aircraft landed weight projections developed by L&B in this analysis are above the Authority's strategic forecast in each year. Therefore, it can be concluded that the Authority's strategic forecast is also conservative in nature. The Authority's strategic forecast of landed weight was also adopted for use in the financial analysis developed by L&B in this Report. The forecast of landed weight does not have any impact on the revenues forecast in the financial analysis due to the residual nature of the landing fee calculation. The landing fee revenue is also reconciled with the airlines each year based on actual landed weight.

Figure 2-16 depicts the Authority's budget for aircraft landed weight as well as the independent projection developed by L&B.

Figure 2-16 Aircraft Landed Weight Projection for the Airport



Sources: Metropolitan Nashville Airport Authority records based on reports from the FAA; MNAA Strategic Activity Forecast; Landrum & Brown Analysis.

2.4.5 Activity Summary

Table 2-10 provides the historical Airport traffic from FY 2019 through FY 2022 and the Authority's strategic enplaned passenger forecast and the landed weight forecast for the Airport from FY 2023 through FY 2031 used for the financial analysis provided in this Report.

Table 2-10 Activity Summary (FY 2019 – FY 2031)

	Enplaned Passengers		Landed Weight (in million-pound units)	
Fiscal Year	Passengers (in thousands)	Year-Over-Year Growth	Total	Year-Over-Year Growth
FY 2019 Actual	8,596		9,954	
FY 2020 Actual	6,858	-20.2%	8,995	-9.6%
FY 2021 Actual	5,152	-24.9%	7,869	-12.5%
FY 2022 Actual	9,218	78.9%	11,043	40.3%
FY 2023	9,600	4.1%	10,176	-7.9%
FY 2024	10,602	10.4%	11,055	8.6%
FY 2025	10,974	3.5%	11,287	2.1%
FY 2026	11,303	3.0%	11,490	1.8%
FY 2027	11,587	2.5%	11,664	1.5%
FY 2028	11,814	2.0%	11,800	1.2%
FY 2029	12,050	2.0%	11,918	1.0%
FY 2030	12,291	2.0%	12,038	1.0%
FY 2031	12,537	2.0%	12,158	1.0%

Range	Average Annual Growth Rate	
FY 2019-22	2.4%	3.5%
FY 2022-31	3.5%	1.1%
FY 2023-31	3.4%	2.2%

Source: Metropolitan Nashville Airport Authority records based on reports from the FAA; MNAA Strategic Activity Forecast.

3 Airport Facilities and Capital Program

3.1 Existing Airport Facilities

The Airport comprises 4,470 acres of land in Davidson County, Tennessee. It is located approximately six miles southeast of downtown Nashville. The Airport is the primary commercial air passenger and cargo service facility for the Middle Tennessee area and portions of Southern Kentucky and Northern Alabama. Access to the Airport is primarily provided from Interstate 40 and indirectly from Interstates 24 and 65 via Donelson Pike. The existing Airport layout is depicted on **Figure 3-1** and Airport facilities are described in this Chapter.

Figure 3-1 Airport Layout

Source: Metropolitan Nashville Airport Authority

3.1.1 Airfield Facilities

The existing airfield consists of four air carrier runways, three of which are in a parallel northeast-southwest alignment (Runways 2R-20L, 2C-20C, and 2L-20R) and one crosswind carrier runway oriented in a northwest/southeast direction (Runway 13-31). Runway 2R-20L is 8,001 feet in length, Runway 2C-20C is 8,001 feet in length, Runway 2L-20R is 7,704 feet in length, and Runway 13-31 is the Airport's longest at 11,030 feet in length. All runways are 150 feet wide and are equipped with high intensity runway lighting systems. Parallel Runways 2L-20R and 2R-20L are equipped with centerline lighting, and touchdown zone lights are installed on Runway ends 2L-20R and 2R-20L. Precision instrument landing systems were installed on all ends of each runway for approaches during instrument flight rules (IFR) conditions with the exception of Runway ends 20C and 13. Existing runways have adequate capacity to meet forecast operations throughout the foreseeable future.

3.1.2 Terminal Facilities

The passenger terminal complex consists of a main terminal building with four attached concourses and an international arrivals building (IAB) and over one million square feet of total space. The existing terminal and apron facilities provide for 43 gate positions and associated passenger waiting areas and security screening facilities. Of the 43 gate positions, one is at the IAB, which can accommodate international arrivals, and 42 are generally used for domestic operations. The terminal apron is comprised of approximately 1.37 million square feet of pavement. Passenger circulation patterns within the main terminal generally follow a converging "V" plan, connecting the flow to/from the center of the terminal to the concourses. This circulation pattern creates straightforward wayfinding for passengers.

The main terminal building is divided into three primary levels: ground transportation (Level 1), the arrivals level (Level 2), and the departures level (Level 3). Level 1 accommodates rental cars counters and provides access to the Rental Car Center as well as the Ground Transportation Center which accommodates taxis, limo, Transportation Network Companies (TNCs) such as Uber and Lyft, and shuttle buses. Level 2 serves primarily as the hall for baggage claims, baggage makeup, and check baggage inspection screening facilities. An elevated roadway provides vehicle access to Level 3, which provides passengers access to the ticketing hall, the security screen checkpoint, and the four concourses. Level 3 is also the primary level for concessions areas, including food and beverage operators, retailers, and service providers, enhancing the customer experience while at the Airport. The concessions program focuses on creating a travel experience that reflects the Nashville experience. Such concession offerings include, but are not limited to, a variety of fast food and full-service restaurants, local themed gifts and retail shops, newsstands and other spa/service providers. Restaurants and public spaces also offer music in many forms, including live performances that include not only country music, but a wide variety of musical genres. Additional information regarding the redevelopment of the concession program at the Airport is provided in Chapter 4 of this Report.

As part of the Terminal Lobby Expansion project included in the Authority's Capital Program described in Section 3.3 below, the north and south Terminal areas are currently operating as separate terminals with separate security checkpoints. The Terminal Lobby Expansion is anticipated to be completed in 2023.

As part of the BNA Vision, the Authority opened a new 64,000 square foot administration office building.

3.1.3 Public Parking Facilities

Authority-owned public parking facilities consist of two six-story public parking garages (Terminal Garage 1 and Terminal Garage 2), valet parking, one long-term surface parking lot (Terminal Lot A), two economy surface parking lots (Economy Lots B and C), and a remote surface parking lot (BNA Express Park, which is currently closed and used as valet overflow parking). In total, these facilities provide approximately 14,000 public parking spaces offering various products to passengers as further described:

- The Authority opened Terminal Garage 1 in June 2020. The new terminal parking garage has approximately 2,600 covered parking spaces with a park assist guidance system and charging stations for electric vehicles and is located across from the passenger terminal. Current pricing for the terminal parking garage is $26 per day.
- Valet parking pick-up and drop-off occurs on level 1 of Terminal Garage 1. Current pricing for the valet parking service is $36 per day. The valet parking product also offers optional car wash services.
- The Authority opened Terminal Garage 2 in December 2018. This new garage replaced the existing short-term garage. The new terminal parking garage has approximately 2,200 covered parking spaces with a park assist guidance system and charging stations for electric vehicles and is located adjacent to and within walking distance to the passenger terminal. Current pricing for the terminal parking garage is $26 per day. Level one of Garage 2 contains the ground transportation center.
- Terminal Lot A is a surface lot consisting of 1,125 public parking spaces. This lot is located east of the parking garage along the west side of Terminal Drive. This lot is within walking distance to the terminal with no shuttle service provided. Current pricing for Terminal Lot A is $18 per day.
- Economy Lot B is a surface lot consisting of 2,124 public parking spaces. This lot is located northeast of Terminal Lot A across Donelson Pike. This lot offers shuttle service to the terminal approximately every ten minutes. Current pricing for Economy Lot B is $16 per day.
- The Economy Lot C has 3,625 surface public parking spaces and is located north of the terminal building between Terminal Drive and Interstate 40. This lot offers shuttle service to the terminal approximately every ten minutes. Current pricing for the Economy Lot C is $16 per day.
- The BNA Express Park lot has 1,230 remote spaces and is located south of the terminal building along Donelson Pike. This lot is currently closed and used for overflow for the valet parking service.

Off-Airport parking competition includes four private operators offering over 3,200 spaces: Fly Away, located about 3.3 miles from the terminal, has approximately 750 parking spaces; The Parking Spot, located about one mile from the terminal, has approximately 1,445 parking spaces; Flight Park, located 1.2 miles from the terminal, has approximately 887 parking spaces; and Executive Travel and Parking, located 1.2 miles from the terminal, has approximately 485 parking spaces. Off-Airport parking operators' daily rates are comparable, and in some cases greater than, the Authority's daily economy rates.

To help reduce vehicle traffic congestion in the terminal area, two cell phone waiting lots are available where motorists meeting arriving passengers can wait for free until passengers call to indicate they are ready to be picked up along the terminal curbside. Both lots are located north of the passenger terminal and include 49 spaces for the lot east of Economy Lot C and 46 spaces for the lot west of Economy Lot C.

3.1.4 Rental Car Facilities

The 1.2 million-square foot consolidated rental car facility (CONRAC) is located north of Terminal Garage 1 and contains 2,400 rental car ready/return spaces on three parking levels. The facility is within walking distance from the terminal building; therefore, no busing of passengers is needed. Covered walkways provide convenient passenger access to/from the terminal. Ten rental car brands are currently offered within the CONRAC: Alamo, Avis, Budget, Dollar, Enterprise, Hertz, National, Payless, Sixt, and Thrifty.

A grade-level quick-turn around (QTA) facility adjacent and to the north of the ready/return parking is also included within the CONRAC. The QTA contains 10 car wash bays, 54 fueling stations, a common vacuum and windshield wiper fluid system, and three 20,000-gallon underground fuel tanks for servicing of vehicles by the rental car operators.

3.1.5 Air Cargo and Aircraft Maintenance Facilities

Air cargo operations at the Airport include all-cargo aircraft operators, air freight operators, integrated carriers, and the U.S. Postal Service (USPS). Facilities for all-cargo operators generally include an aircraft parking apron for the loading and unloading of cargo. Air freight is generally the cargo transported on passenger airlines, and integrated carriers are operators such as FedEx and Prime Air, etc. Air Freight facilities consist of enclosed building space with a capacity of about 40,000 square feet located southeast of the passenger terminal facility for ease of transporting freight to and from passenger aircraft. The Authority leases this building space to various passenger airlines for their air freight. All-cargo facilities are located in the western part of the Airport between Briley Parkway and Runway 2L-20R. These facilities have direct access to approximately 400,000 square feet of apron space. In addition, the Air Cargo Terminal One and Air Cargo Terminal Two facilities consist of apron space and building space to support all-cargo and integrated carrier operations along with other functions. This facility also houses a flight kitchen and international trash disposal facility.

Multiple aircraft maintenance facilities are located at the Airport. Fixed base operators (FBOs) and other service providers offer maintenance service to general aviation (GA) aircraft. Brazilian aircraft manufacturer Embraer also provides maintenance services from a 78,000 square foot hangar on the west side of the Airport. The company is the world’s third-largest manufacturer of commercial jets after Airbus and Boeing. The Authority leases this building space to Embraer.

3.1.6 Ancillary Facilities

Ancillary facilities support the aviation-related activities at the Airport. The facilities identified as ancillary are categorized as Military, General Aviation, FAA, the Authority, Ground Support Equipment, Other Facilities, and the Central Receiving and Distribution Center.

- **Military.** The Tennessee Air National Guard (TANG) operates on the south side of the Airport. The 118th Wing is based at the Airport. Its operations require multiple facilities including the TANG’s headquarters and administration building, operations building, civil engineering facility, aircraft maintenance hangars, recreational facilities, and engine repair shops.
- **General Aviation.** Corporate and GA facilities are located south of the main terminal complex area between Runway 2C-20C and Hangar Lane. This area includes corporate hangar facilities, offices, aircraft maintenance base hangars, fueling facilities, and FBO facilities. Services offered by the FBOs and other aviation support businesses include aircraft fueling, airframe and engine repair, ramp parking and tie-downs, ground handling, hangar storage, pilot amenities, and avionics repair. The GA apron area comprises approximately 927,000 square feet of apron for itinerant aircraft parking. The Authority owns a

majority of the aircraft hangars and receives rent from the aircraft hangar tenants. The Authority also receives ground lease rent from the owners of a corporate aircraft maintenance hangar.

- **FAA.** The FAA occupies the Airport Traffic Control Tower (ATCT) and handles all flight arrivals and departures as well as ground movement. The ATCT is located within the GA complex described above.
- **The Authority.** The Authority provides the following support facilities at the Airport: Aircraft Rescue and Fire Fighting facility, Storm Water Treatment facility, and the MNAA Consolidated Service facility, which is used by the Authority's Maintenance and Environmental Departments.
- **Ground Support Equipment.** Ground support equipment (GSE) facilities include areas and buildings that house vehicles and equipment necessary to serve aircraft operations such as aircraft tugs, baggage tugs and carts, catering trucks, fuel trucks, 400-hertz power generators, deicers, lavatory service trucks, etc. GSE is stored in covered areas surrounding the terminal area.
- **Other Facilities.** Several other non-aeronautical businesses and facilities are also located on Airport property. Dell Computer Corporation has a campus near the Airport and leases a training facility on Airport property. Other non-aeronautical facilities located on Airport include the Metro 911 emergency call center, Monell's Restaurant, Armada Van Rental, Global Tire, a bank, the Genesco Office Building, the Johnston & Murphy plant, Tennessee Department of Transportation offices, and other commercial uses.
- **Central Receiving and Distribution Center (CRDC)**. The CRDC is a central receiving and distribution facility for products, goods, and services being delivered on-Airport. This state-of-the-art facility has inspection and X-ray capabilities, temporary refrigeration and freezer storage, large dry-goods staging capacity with lifting tables. The facility utilizes extensive security measures, including CCTV, access control, and vehicle safeguarding procedures. The CRDC is operated by Bradford Airport Logistics and is currently utilized by those Concessionaires operating under the master concessions agreement with Fraport.

3.2 John C. Tune Airport

The Authority also owns and operates the Reliever Airport, a 373-acre facility which is a general aviation airport and serves the needs of corporate and private aircraft users. The Reliever Airport is part of the Airport System as defined under the Senior Bond Resolution.

The Reliever Airport has an airport code of "JWN" and is located on the west side of Nashville approximately five miles from downtown. The Reliever Airport is designated as a reliever airport to the Airport pursuant to the FAA's National Plan of Integrated Airport Systems (NPIAS). Reliever airports are specially designated GA airports intended to reduce congestion at larger commercial service airports primarily by providing an option for accommodating GA traffic.

Construction began in 1983 and the Reliever Airport, named for John C. Tune, opened in 1986. The Reliever Airport has a single runway of 6,000 feet long, 360,000 square feet of aircraft ramp space, 3,000 square feet of office space, a terminal building, and other hangar space for corporate and GA aircraft. In 2015, over $30 million in capital improvements, 95% of which was funded with federal and state grant funds, were made at the Reliever Airport. Improvements included, extension of both the runway and taxiway, construction of new runway safety areas, installation of LED airfield lighting major renovations to the main terminal, hangar repairs and improvements, and paving of the aircraft ramp and apron.

On March 3, 2020, the Reliever Airport sustained significant damage from a category 2 tornado, one of numerous tornadoes that devastated areas throughout the city. The MNAA Board of Commissioners approved a plan known as the "Tune Taking Off," an ambitious redevelopment plan to expand, upgrade and replace facilities destroyed in the tornado and enhance the airport's long-term viability. Specifically, the plan includes:

- Expanded ramp areas
- A new airport access point
- 12 T-hangar buildings with 78 hangar bays totaling 96,720 square feet
- Four box hangar buildings with 12 hangar bays totaling 43,200 square feet
- Two shade port buildings with 10 bays totaling 14,235 square feet

In addition to the redevelopment plan, a traffic control tower opened on September 8, 2021, which enhanced safety and operational efficiency. The total cost of these projects was approximately $50.2 million, funded from a combination of insurance proceeds, state grants, and existing Reliever Airport funds.

3.3 Authority's Capital Program

Between FY 2012 and FY 2022, annual enplaned passengers at the Airport increased by 87.8% from approximately 4.9 million to 9.2 million, representing a CAGR of 6.6% during that period. As activity has continued to increase, demand for Airport gates has also risen to the point where existing capacity has become strained. The Authority's Capital Program was developed in response to this growth and the expected continued growth in the region and in passengers and consists of the following programs and initiatives:

- BNA Vision
- New Horizon
- Other capital projects developed as part of the Authority's on-going capital improvement plan (CIP)

Exhibit A at the end of this Report presents estimated project costs for Authority's Capital Program and details regarding anticipated funding sources on a project-by-project basis.

3.3.1 BNA Vision

The Authority developed the BNA Vision program from the 2013 Master Plan to address the need for major renovation and expansion. By 2041, the population of the Greater Nashville Area is expected to surpass 2.5 million people. BNA Vision is a comprehensive plan designed to enable the airport to meet this demand.

The BNA Vision program currently underway is segmented into two phases:

- **BNA Vision 1.0 –** Elements include the construction of three parking garages, a 64,000 square foot airport administrative office building, the reconstruction and expansion of Concourse D to accommodate six (6) additional aircraft gates which includes the construction of a new central utility plant, the expansion of the ticketing lobby and the baggage claim area, the filling and paving of 500,000 square feet of terminal apron and taxilane area, the construction of a new international arrivals facility, and phase 1 of the expansion of terminal access roadways and the relocation of Donelson Pike. The estimated cost of BNA Vision 1.0 is approximately $1.3 billion.

  The BNA Vision program also includes the construction of a hotel at the Airport. The Authority selected a private developer to develop a Hilton Hotel that is expected to feature 292 guest rooms, approximately 16,000 square feet of meeting space, and a rooftop pool and sky bar. An estimated construction cost of the Airport hotel of $131 million was initially included in BNA Vision 1.0, however, is not included in the $1.3 billion project cost of BNA Vision 1.0.

The connection plaza constructed on top of Terminal Garage 1 is designed to ultimately serve as a future light rail station should it be developed, however, the status of a future light rail is currently unknown and no costs associated with the light rail station are included in the BNA Vision program.

- **BNA Vision 2.0** – Elements include an 8-gate satellite concourse, site prep and ramp paving for future Concourse A expansion, the environmental assessment, property acquisition, and design work associated with the future extension of Runway 2L-20R. The estimated cost of BNA Vision 2.0 is $229.5 million.

Figure 3-2 depicts the location, status, and CY of anticipated completion of the various BNA Vision elements.

Figure 3-2 BNA Vision Projects

Note: Dates reflect CY. Hotel is being funded through a public-private partnership and the status of the Future Light Rail is uncertain at this time.

Table 3-1 presents the project cost, the amount of funding previously secured, completion status, and the amounts anticipated to be funded with proceeds of the Series 2022 Senior Bonds or future bonds, which includes certain project costs initially funded with the Authority's Note Purchase Agreement to be refinanced with the proceeds of the Series 2022 Senior Bonds or future bonds, for each of the various BNA Vision elements. As shown, approximately $393.3 million of BNA Vision project costs are anticipated to be funded with proceeds of the Series 2022 Senior Bonds and approximately $25.3 million of project costs are anticipated to be funded with proceeds of future bonds. In addition, approximately $23.2 million of contingency costs programmed for BNA Vision 1.0 have not yet been programmed, but for purposes of the financial analysis herein, these costs are assumed to be funded with proceeds of future bonds.

Table 3-1 BNA Vision Projects (dollars in millions)

Element	Total Cost	Existing/ Other Funding	Series 2022 Senior Bonds	Future Bonds	Status
BNA VISION 1.0					
Terminal Projects – Lobby Expansion, Wings, IAB	$467.4	$364.9	$102.5		Anticipated 2023
Concourse D Construction and Electrical Vault	284.8	284.8			Completed July 2020
Terminal Garage 1 and Administration Building	176.0	170.7		$5.3	Completed Jan. 2021
Terminal Garage 2	110.2	110.2			Completed June 2020
Terminal Garage 3	95.5	40.8	34.7	20.0	Anticipated 2023
Terminal Access Roadway Improvements – Phase 1	47.9	2.1	45.8		Anticipated 2023
Terminal Ramp Paving (TATE)	40.3	20.4	19.9		Anticipated 2023
Employee Parking Lot Improvements	7.3	7.3			Completed June 2020
Art Allowance, Contingency, and Other Soft Costs	75.6	43.6	8.8	$23.2	
Total BNA Vision 1.0	**$1,305.0**	**$1,044.8**	**$211.7**	**$48.5**	
BNA VISION 2.0					
Satellite Concourse	$132.9	$33.0	$99.9		Anticipated 2023
Concourse A – Site Prep and Paving	65.1	-	65.1		Anticipated 2024
Runway 2L-20R Extension – Prelim. Design, Property Acq., and Environmental	14.9	14.9			Anticipated 2026
Contingency and Other Soft Costs	16.6	-	16.6		
Total BNA Vision 2.0	**$229.5**	**$47.9**	**$181.6**	**$0**	
Total BNA Vision	**$1,534.5**	**$1,092.7**	**$393.3**	**$48.5**	

Source: Metropolitan Nashville Airport Authority

3.3.2 New Horizon

In June 2022, the Authority announced a new capital initiative, New Horizon, that includes additional expansion projects to accommodate future demand beyond what was contemplated when the BNA Vision program was developed. The New Horizon design phase began in August 2022 with construction on the extension of Concourse D scheduled to begin in late 2023 – with completion of all projects by late 2028.

New Horizon's preliminary plan includes:

- **Concourse A and D improvements** – Concourse A and D will see extensions and improvements including additional gates, moving walkways, and additional concessions in both concourses. The Concourse D extension is anticipated to add 5 additional gates and to provide operational flexibility during the construction of a new Concourse A as the existing 6 gates on Concourse A will be demolished. New Concourse A is anticipated to add an additional 16 gates upon completion, for a net increase of 10 new gates.
- **New air freight building** – a new air freight facility will be constructed to better support airline cargo requirements and allow for the extension of Concourse D.
- **Terminal roadway improvements – Phases 2 and 3** – capacity will increase and ease traffic flow into and out of the airport terminal and parking garages.
- **Baggage handling system improvements** – upgrades to the baggage handling system will sort bags by flight, speed security inspections, and deliver passenger luggage to and from the aircraft faster.

The estimated cost of New Horizon is approximately $1.5 billion.

Table 3-2 presents the anticipated project costs and timing for each of the New Horizon elements. As shown, approximately $127.2 million of New Horizon project costs are anticipated to be funded with proceeds of the Series 2022 Senior Bonds, with the remaining funding anticipated to come from future bonds and Authority funds.

Table 3-2 New Horizon Projects (dollars in millions)

Element	Total Cost	Existing/ Other Funding	Series 2022 Senior Bonds	Future Bonds	Status
Concourse A Expansion	$766.6			$766.6	Anticipated July 2028
Concourse D Extension	257.3		$75.7	181.6	Anticipated July 2025
Terminal Access Roadway Improvements – Phases 2 and 3	163.5			163.5	Anticipated 2025
Baggage Handling System Upgrades	115.8	$75.0	22.2	18.6	Multi-Phased
Future Air Freight Building	23.2			23.2	Anticipated 2023
Art Allowance, Contingency, and Other Soft Costs	136.1	-	29.3	106.8	
Total New Horizon	**$1,462.5**	**$75.0**	**$127.2**	**$1,260.3**	

Source: Metropolitan Nashville Airport Authority

Figure 3-3 depicts the location of key elements of the New Horizon program.

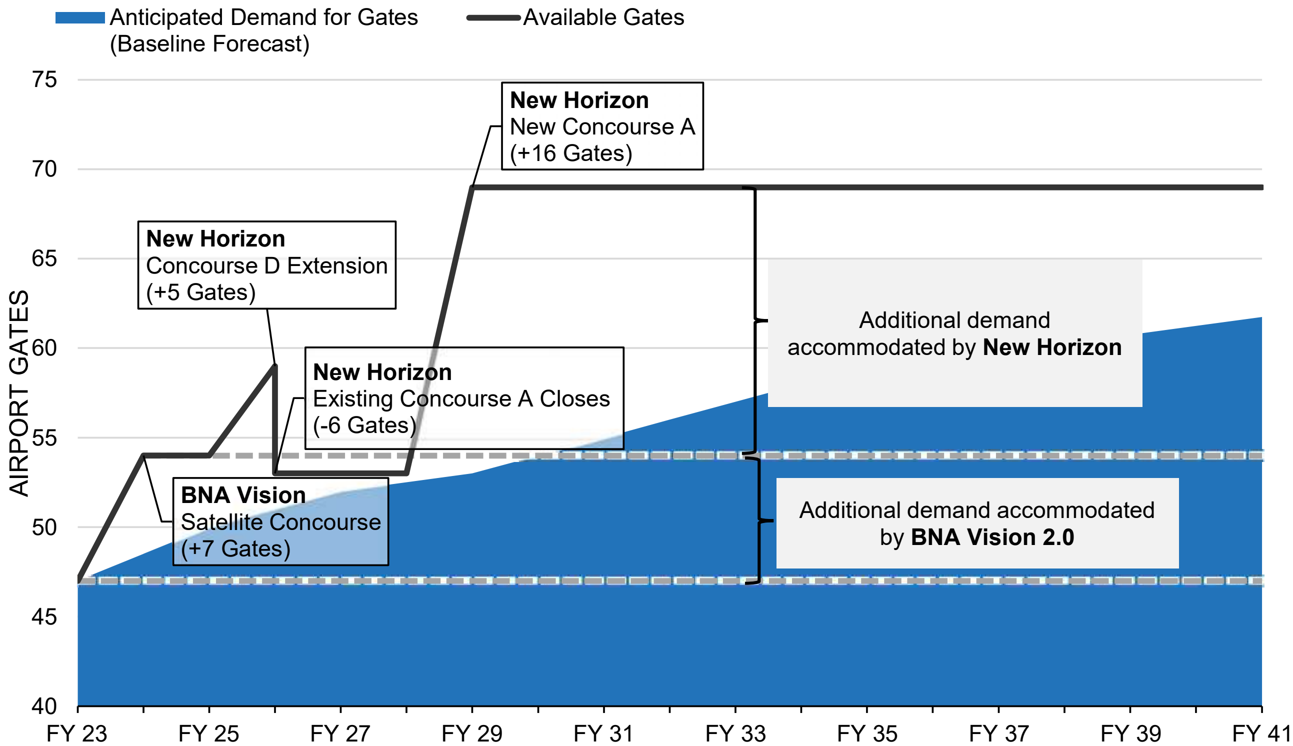
Figure 3-3 New Horizon – Key Elements

Source: Metropolitan Nashville Airport Authority

3.3.3 Demand for Gates at the Airport

A major goal of the BNA Vision and New Horizon programs is to accommodate expected long-term demand for gates at the Airport and other systems and facilities needed to facilitate long-term growth in passengers. As described in Chapter 2, enplaned passengers at the Airport increased at a CAGR of 6.6% from FY 2012- FY 2022 and reached a new record with 9.2 million enplaned passengers in FY 2022, which is approximately 7.2% higher than the previous record at the Airport of 8.6 million enplaned passengers. The existing 43 gates at the Airport, which are expected to total 46 gates at the completion of BNA Vision 1.0, are insufficient to accommodate anticipated future growth in airline traffic. **Figure 3-4** shows how the BNA Vision 2.0 and New Horizon programs are expected to provide a sufficient number of gates to accommodate long-term growth at the Airport.

Figure 3-4 Airport Gates and Long-Term Demand



Note: The beginning gate total in FY 23 reflects the anticipated completion of BNA Vision 1.0 which includes the addition of international gates.

3.3.4 Other Authority Capital Improvement Plan Projects

The Authority also plans to undertake capital projects, developed in addition to the BNA Vision and New Horizon programs, as part of the Authority's CIP. The Authority maintains an ongoing CIP to address the needs of the Airport System in conjunction with the Authority's long-term facilities plan addressed through BNA Vision and New Horizon. The Authority's CIP consists primarily of Airport System improvements, upgrades, and other repair, reconstruction, and maintenance projects while BNA Vision and New Horizon were developed to address larger capital development needs. In addition to routine vehicle replacement, maintenance equipment repair and replacement, and other ongoing pavement rehabilitation projects, major CIP projects include various concourse upgrades, expansion of the Terminal curbside, deicing improvements, taxilane improvements, and an ARFF Station annex.

As a result of the rapid growth which the Airport has been experiencing, the Authority will continue to actively assess and manage its capital needs to determine any necessary modifications to the CIP as necessary to accommodate evolving priorities with respect to demand-driven traffic activity, operational needs of the Airport, and other factors. The Authority's CIP is subject to frequent review and modification based on expected funding priorities of the Airport System. The Authority's CIP is currently anticipated to total approximately $358.4 million, with various projects anticipated to be completed at different times through the Forecast Period.

Table 3-3 presents the anticipated project costs and timing for the Authority's major CIP projects. As shown, approximately $18.0 million of the Authority's CIP projects are anticipated to be funded with proceeds from the Series 2022 Senior Bonds.

Table 3-3 Other Authority CIP Projects (dollars in millions)

Element	Total Cost	Existing/ Other Funding	Series 2022 Senior Bonds	Future Bonds	Status
Deicing Improvements	$50.0	$17.9		$32.1	Multi-phased
T4 Dual Taxilanes	45.0			45.0	Anticipated 2027
Curbside Expansion	36.0			$36.0	Anticipated 2026
T6 Dual Taxilanes	20.0			20.0	Anticipated 2027
ARFF Station Annex	20.0			20.0	Anticipated 2026
Concourse Upgrades	18.0		$18.0		Anticipated 2023
Other Various CIP Projects (FY 2023 – FY 2031)	169.4	169.4			Various
Total BNA CIP	**$358.4**	**$187.3**	**$18.0**	**$153.1**	

Source: Metropolitan Nashville Airport Authority

3.4 Authority Capital Program Plan of Finance

For purposes of this Report, the Authority's Capital Program (consisting of BNA Vision, New Horizon, and the Authority's CIP presented above) is assumed to be fully funded and completed during the Forecast Period.

Table 3-4 presents estimated project costs for the Authority's Capital Program by category and their anticipated funding sources, which includes proceeds of the Series 2022 Senior Bonds and other funding sources described below. The Authority has used interim financing available through its Note Purchase Agreement (described in Section 4.3.4 herein) for projects currently underway. The funding amounts presented in Table 3-4 and described in this Report reflect proceeds of the Series 2022 Senior Bonds that will either be used to directly fund construction costs or to refinance certain draws made pursuant to the Note Purchase Agreement that were used for construction costs.

Table 3-4 Authority Capital Program Plan of Finance by Category (Dollars in Millions)

Category	Federal and State	Previous Bonds	Series 2022 Senior Bonds[1]	Future Bonds[2]	CFC	Authority Funds	**Total**
BNA Vision	$45.5	$1,040.7	$393.3	$48.5	$6.5	$0.0	**$1,534.5**
New Horizon	$0.0	$0.0	$127.2	$1,260.3	$0.0	$75.0	**$1,462.5**
Other CIP Projects	$17.9	$0.0	$18.0	$153.1	$0.0	$169.4	**$358.4**
Total	**$63.4**	**$1,040.7**	**$538.5**	**$1,461.9**	**$6.5**	**$244.4**	**$3,355.4**

[1] Reflects proceeds of the Series 2022 Senior Bonds that will either be used to directly fund construction costs or to refinance certain draws made pursuant to the Note Purchase Agreement that were used for construction costs.
[2] Assumes future Senior Bond issuances, anticipated to be issued in 2024 ($677.4 million of project funding) and 2026 ($784.5 million of project funding).
Note: Amounts may not add because of rounding.
Source: Metropolitan Nashville Airport Authority

Historically, the Authority has funded capital development at the Airport System from several types of sources. These have generally included grants-in aid, PFC revenues on a pay-as-you-go basis, Authority funds, and bond proceeds backed by Airport Revenues. The plan of finance for the Authority's Capital Program presented in Table 3-4 and Exhibit A reflects estimates based on currently available information regarding the estimated project cost and timing, and the estimated receipt of federal, state, and other grants and other funds. The Authority's Capital Program is estimated to cost approximately $3.4 billion. Additional detail regarding the estimated funding sources for Authority Capital Projects is presented in this section.

3.4.1 Federal, State and Other Grants

The Authority receives federal grants for Airport capital development under the FAA AIP. The Authority receives AIP entitlement grants based on (1) levels of funding authorized and appropriated by Congress for the program, (2) the number of passengers and amount of cargo at the Airport, and (3) a 75% reduction in entitlement grants associated with the Authority's $4.50 PFC level. The Reliever Airport receives a total of approximately $150,000 per year. The Authority also receives AIP discretionary grants for specific projects pursuant to grant applications for such funding, and FAA discretionary grant awards, which are a function of the amounts authorized and appropriated by Congress and the FAA's prioritization of competing projects.

The federal Bipartisan Infrastructure Law (BIL) provides $15 billion for airport-related projects as defined under the existing Airport Improvement Grant and Passenger Facility Charge criteria. The money can be used for runways, taxiways, safety and sustainability projects, as well as terminal, airport-transit connections and roadway projects. For FY22, $2.89 billion has been made available to U.S. airports around the nation.

The Authority previously used federal grants to fund approximately $12.5 million and anticipates using approximately $33.0 million of State grants to fund BNA Vision. The Authority also anticipates receiving and using approximately $17.9 million of BIL grant funding for deicing improvement included in the Authority's CIP. For the purposes of the analysis in this Report, no other BIL grant funds have been programmed into the Authority's Capital Program plan of finance, however, the use of additional BIL grants would likely offset the future anticipated use of Authority Funds or reduce future bonds.

3.4.2 Bond Proceeds

Most of the Authority's Capital Program is expected to be funded with proceeds from existing bonds, proceeds from the Series 2022 Senior Bonds, and future bond proceeds.

As shown in Table 3-4, the Authority has already funded approximately $1.04 billion of BNA Vision projects using existing bond proceeds from previously issued bonds. Proceeds from the Series 2022 Senior Bonds are anticipated to be used to fund approximately $538.4 million of the Authority's Capital Program, including $393.2 million of BNA Vision projects, $127.2 million of New Horizon, and $18.0 million of other Authority CIP projects.

The plan of finance for the Authority's Capital Program assumes approximately $1.46 billion of proceeds from future bond issuances. Future Senior Bond issuances are currently assumed in 2024 and 2026 to fund $677.4 million and $784.5 million of project costs, respectively.

Additional information regarding financing assumptions, amounts, and timing of the Series 2022 Senior Bonds and future bonds is provided in Section 4.11 of this Report.

3.4.3 Customer Facility Charges

On January 1, 2008, the Authority began requiring the rental car companies at the Airport to charge a CFC to be used to pay, or to reimburse the Authority, for costs, fees and expenses associated with the planning, design, construction, financing, maintenance and operation of the CONRAC and other costs, fees and expenses that may be paid from CFC proceeds. The CFC was initially $4.00, then increased to $4.50 effective January 1, 2010. The $4.50 CFC is a per transaction daily fee and is collected by the on-Airport rental car companies from each of their customers and subsequently remitted to the Authority.

In accordance with the terms of the CONRAC bond agreements, CFCs must be used to establish bond principal, interest, and reserve funds for CFC secured bonds, as well as various other funds for the operation and maintenance of the CONRAC facility. CFCs collected in excess of the amount required for those purposes can be used by the Authority for any lawful purpose. As shown on Exhibit A, the Authority used approximately $6.5 million in CFC to fund CONRAC-related improvements associated with BNA Vision 1.0 projects.

CFC revenues are not included as Airport Revenues pursuant to the Senior Bond Resolution or the Subordinate Resolution.

3.4.4 Authority Funds

The Authority has historically used some internal funds from the operation of the Airport System to fund certain projects in the CIP. Per the Senior and Subordinate Resolutions, any Revenues remaining in the NAE Fund, after all obligations have been satisfied, can be used by the Authority for any lawful aviation-related use or purpose pertaining to the Authority.

As presented, the Authority intends to fund approximately $75.0 million of New Horizon and $169.4 million of the Authority's other CIP projects using these available funds during the Forecast Period.

3.4.5 Passenger Facility Charge Revenues

Passenger Facility Charge (PFC) revenues are used to pay for certain FAA-approved, PFC-eligible projects, either by using certain PFC revenues to pay for approved project costs on a pay-as-you-go basis or by using PFC revenues to pay Debt Service associated with bonds used to fund approved projects.

As presented, the Authority does not intend to use PFCs on a pay-as-you-go basis to fund the Authority's Capital Program, however, the Authority does intend to use PFC revenues to pay Debt Service associated with PFC approved projects. Additional information regarding PFC revenues is provided in Section 4.15 of this Report.

3.5 Financial Impact of Authority Capital Program

The estimated financial impacts of the Authority's Capital Program are incorporated in this Report. This includes incremental operating expenses, debt service associated with the Series 2022 Senior Bonds and assumed future bonds, and additional Terminal Building space and revenues resulting from the completion of the Authority's Capital Program. It is possible that during the Forecast Period, the Authority may consider other potential future Airport System improvements not planned at this time. However, it is assumed that the Authority will only undertake construction on any other potential future projects when demand warrants, necessary environmental reviews have been completed, necessary approvals have been obtained, and associated project costs can be supported by a reasonable level of Airport user fees or other discrete funding sources such as state/federal grants, PFCs, Authority funds, CFCs, and/or third-party funds.

4 Financial Framework and Analysis

This Chapter discusses the financial framework for the Authority, including an overview of the governing body, management structure, financial structure including Airport System cost centers, certain obligations of the Senior Bond Resolution, certain obligations of the Subordinate Resolution, and certain provisions contained in the Signatory Passenger Airline Agreements (defined herein) and in other key agreements at the Airport System. Additionally, the planned Series 2022 Senior Bonds sources and uses, Debt Service forecasts, Operating Expenses, Airport Revenues forecasts, Debt Service coverage, and other key financial analyses are described in this Chapter.

Exhibits contained at the end of this Chapter present financial results for budget FY 2023 and forecasts for FY 2024 through FY 2031 (also referred to as the Forecast Period).

4.1 Airport Governing Body

The Authority was authorized by Public Chapter 174 of the Public Acts of the 86th General Assembly of the State of Tennessee and created by the Metropolitan Council of the Metropolitan Government of Nashville and Davidson County on February 9, 1970. The Authority is an independent political subdivision of the State of Tennessee.

The Authority owns and operates the Airport System, which provides the Air Service Area with commercial airline passenger service, air cargo services, and general aviation services. The Authority is governed by a seven-member Board of Commissioners that establishes and controls policies for the Authority. All of the board members are appointed by the Metropolitan Government Mayor (the Mayor). Board members appointed before August 2021 serve a four-year term and can be reappointed. Effective August 2021, all new appointments and reappointments to the Board are for seven-year terms.

4.2 Management Structure

The Board appoints, by contract, a President and Chief Executive Officer (CEO), who is the chief executive and administrative officer responsible for day-to-day operations and planning for all Authority entities. The President heads a full-time staff of professional and technical personnel located at the Airport. In addition to the President and CEO, the executive management team of the Authority is comprised of: the Executive Vice President and Chief Operating Officer; the Executive Vice President and Chief Financial Officer; and the Executive Vice President, General Counsel and Chief Compliance Officer.

The Authority's Chief Operating Officer oversees the operations and maintenance of the Airport System, as well as public safety, information technology, and development and engineering. The Chief Financial Officer oversees finance, insurance and risk management, concessions, and air service development/airline affairs for the Authority. The General Counsel and Chief Compliance Officer oversees corporate communications, legal, procurement and business diversity, administration, and real estate.

4.3 Financial Structure

The Authority's Airport System includes the Airport and the Reliever Airport. For accounting purposes, the Airport System is operated as an independent enterprise by the Authority and is separate from other Authority enterprises. Fund amounts deposited into the Revenue Fund are not commingled with any other funds of the Authority and are used and applied only in the manner as specified in the Senior Bond Resolution and Subordinate Resolution. A discussion of the application of Airport Revenues is below.

The Authority funds operations at the Airport System with revenues generated from Airport System rentals, fees, and charges. Capital improvements at the Airport System are funded by the Authority with: (1) federal, state, and other grants-in-aid, (2) revenues generated from Airport System rentals, fees and charges; (3) Airport System revenue bond proceeds; (4) PFC revenues, and (5) CFCs and CFC secured bonds.

The Authority's financial statements include financial reporting for the MNAA Properties Corporation (MPC), a non-profit organization formed in April 2007 for the purpose of supporting and facilitating the operations of the Authority and to help the economic development of the surrounding Nashville area. The operating expenses of MPC (and any subsidiaries of MPC) are not Operating Expenses of the Authority and income and revenues of MPC (and any subsidiaries of MPC) are not included in Airport Revenues, except for ground rent payments and management fees paid by such entities to the Authority which are included in Airport Revenues. Therefore, all MPC operating expenses and all MPC revenues not included in Airport Revenues have been excluded from the financial analysis in this Report.

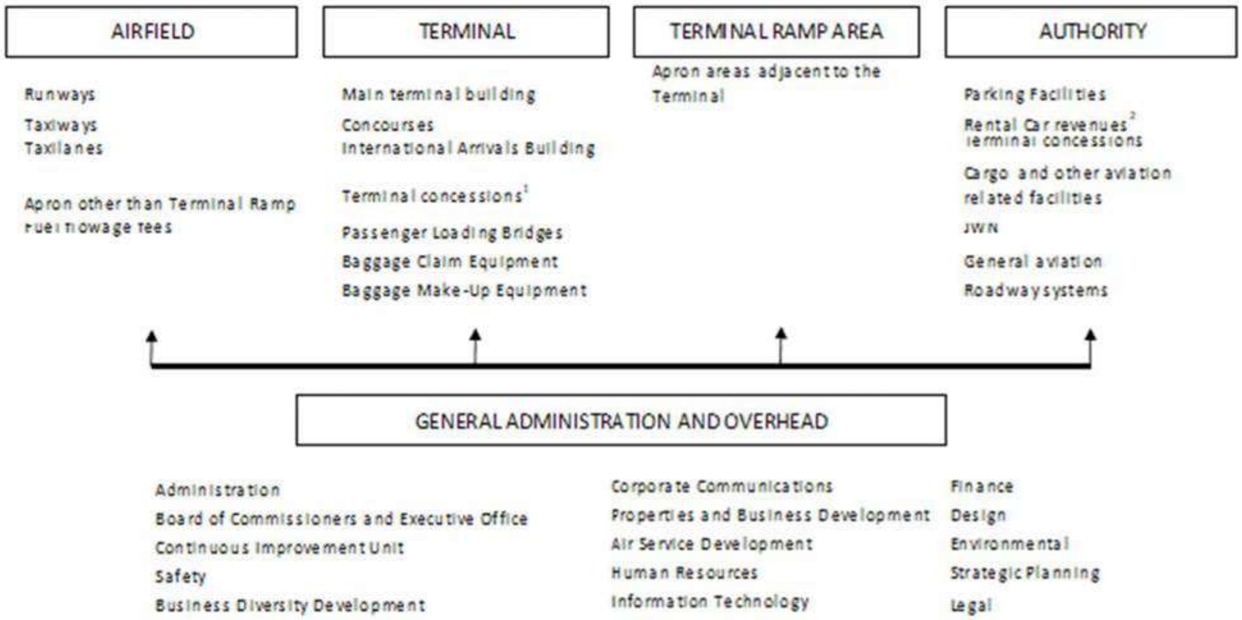
4.3.1 Accounting Structure

Pursuant to the Signatory Passenger Airline Agreements (described in Section 4.8), the Authority created three Airline cost centers for the purpose of accounting for and allocating costs and revenues at the Airport in order to establish airline rates and charges for the use of the Airfield, the Terminal, and the Terminal Ramp Area. Within the Terminal cost center, costs and revenues are allocated between the Terminal, Passenger Loading Bridges, and Baggage Equipment. In addition to the three Airline cost centers, the Authority also allocates costs and revenues to three Authority cost centers and one indirect cost center. Parking and Ground Transportation, Other Buildings and Areas, and the Reliever Airport comprise the direct Authority cost centers. The General Administration and Overhead cost center represents the Authority's indirect cost center, which is allocated to the direct cost centers. As described below, rate-setting at the Airport is "hybrid" in connection with the Landing Fees being calculated on a residual basis, the Terminal Rental Rates being fixed rates specified in the Signatory Passenger Airline Agreements that were initially derived based upon a compensatory basis using rentable space in the calculation, and Terminal Ramp Area rates being compensatory. In the Airfield cost center, the Airlines have the primary responsibility and risk and benefit from non-airline revenues. In the Terminal and Terminal Ramp Area cost centers the Authority and the Airlines share the responsibility and risk and the benefit from Terminal concessions. Other than the Airfield cost center, the Signatory Airlines are not required to provide for break-even financial operation of the Airport System cost centers.

The Airline cost centers includes Operating Expenses, Debt Service, and Airport Revenues from both passenger and all-cargo airlines. The Series 2022 Senior Bonds are payable from Net Revenues, inclusive of both the Airline cost centers and the Authority cost centers.

The Authority's cost center structure for the Airport System is presented in **Figure 4-1** and further described below:

Figure 4-1 Airport System Cost Center Structure



[1] Portions of in-Terminal concessions are shared with the Signatory Airlines.
Note: Authority charges separate fees for use of Passenger Loading Bridges and Baggage Handling Equipment
Source: Metropolitan Nashville Airport Authority

4.3.2 Direct Cost Centers

4.3.2.1 Airline Cost Centers

- **Airfield.** The cost center to which revenues and expenses associated with the areas and facilities the runways, taxiways, taxilanes, and apron areas (other than the Terminal Ramp Area and other designated apron areas), navigational aids, hazard designation and warning devices, airfield security roads and fencing, blast fencing, lighting, clear zones and safety areas for landing, taking off and taxiing of aircraft, avigation easements, land utilized in connection therewith or acquired for such purpose, and facilities, the acquisition, construction or installation cost of which is wholly or partially paid by the Authority.
- **Terminal.** The cost center to which revenues and expenses associated with Gates, Ticket Counters, Baggage Claim Areas, Baggage Make up Areas, Security Checkpoint Areas, office space, storage areas, concourses, lobbies, VIP lounges, the IAB, employee break rooms and Public Areas located within the "drip-line" of the passenger terminal building at the Airport. For purposes of this definition, the "drip-line" means the footprint (improved or unimproved) inside the outer limits of the passenger terminal building, which in all cases should not extend beyond the roof-drip line.
- **Terminal Ramp Area**. The cost center to which revenues and expenses associated the paved areas adjacent to the Terminal used by Passenger Carriers for parking of aircraft and ground service equipment.

4.3.2.2 Authority Cost Centers

- **Parking and Ground Transportation**. The cost center to which revenues and expenses associated with areas and facilities accommodating ground transportation, including Terminal public access roadways and curbside, automobile and employee parking facilities, and rental car operations.
- **Other Buildings and Areas**. The cost center to which revenues and expenses associated with areas and facilities leased or provided for air cargo activities, non-terminal roadways, improved land and buildings, and unimproved land.
- **JWN**. The cost center to which revenues and expenses associated with areas and facilities provided at the Reliever Airport. These include, but are not limited to, hangar, building, land and space rentals and fuel flowage fees.

4.3.3 Indirect Cost Centers

- **General Administration and Overhead.** Expenses associated with salaries, benefits, materials, and supplies of the Airport's administrative staff and not attributable to any direct cost center.

4.4 Senior Bond Resolution

The Metropolitan Airport Authority Act, Tenn. Code Ann. §§ 42-4-101 et seq., as amended, the Local Government Public Obligations Act of 1986, Tenn. Code Ann. §§ 9-21-101 et seq., as amended, and the Airport Improvement Revenue Bond Resolution adopted by the Board of Commissioners of the Authority (the Board) on August 15, 1991 (as amended and supplemented, the Senior Bond Resolution), authorize the issuance of senior airport revenue bonds (Senior Bonds) to pay the costs of acquiring and constructing Airport System improvements, among other items. As of November 1, 2022, the Authority had $191,155,000 in aggregate principal amount of Senior Bonds Outstanding.

The Senior Bonds are limited obligations of the Authority, secured by a pledge of and lien on the Net Revenues derived by the Authority from the operation of the Airport System. Net Revenues means for any past period or year, the aggregate of the Airport Revenues minus the Operating Expenses for such period or year and any during such past period, and for any future period or year, the aggregate of the estimated Airport Revenues minus the estimated Operating Expenses for such future period. Airport Revenues include, among other things, all amounts derived from all rates, charges, rentals, fees and any other compensation collected, or received by the Authority in connection with the operation of the Airport System, any money transferred from the Nashville Airports Experience (NAE) Fund, and all investment income earned by the Authority except as otherwise expressly provided in the Senior Bond Resolution. Airport Revenues do not include (1) any income or revenue from any Special Facility (other than rental property attributable to administrative and other expenses of the Airport System) at any time during which there shall be outstanding any Special Facility Revenue Bonds with respect to such Special Facility; (2) any grant or any similar payment from any government or public agency; (3) any arbitrage earnings which are required to be paid to the U.S. Government pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, and the rulings and regulations promulgated thereunder; (4) the proceeds of any Support Facility; (5) the proceeds of any passenger facility, customer facility or analogous charge or fee that may hereafter be levied (whether levied on the use of the Airport System, on transportation, or otherwise) which are received and retained by the Authority; or (6) earnings on amounts on deposit in the Construction Fund.

Operating Expenses are the expenses incurred in the maintenance, operation, administration and insuring of the Airport System, including, among other things, salaries, wages and costs of fringe benefits including employee pension or retirement plans, health insurance, payments made to The Metropolitan Government of Nashville and Davidson County for contract services actually performed, and costs of materials, supplies and contractual services.

4.4.1 Senior Rate Covenant

In the Senior Bond Resolution, the Authority has covenanted to impose and prescribe a schedule of rates, rentals, fees, and charges for the use and services of and the facilities and commodities furnished by the Airport System, to revise the same from time to time whenever necessary, and to collect the income, receipts, and other money derived therefrom so that (1) the Airport System shall be and always remain financially self-sufficient and self-sustaining, and that (2) rates, rentals, fees and charges imposed, prescribed and collected shall be such as will produce Airport Revenues at least sufficient (i) to pay the principal of, interest on and premium, if any, on the Senior Bonds as and when the same become due (whether at maturity or upon required redemption prior to maturity or otherwise); (ii) to pay as and when the same become due all Operating Expenses, (iii) to pay as and when the same become due any and all other claims, charges or obligations payable from Airport Revenues, and (iv) to carry out all provisions and covenants of the Senior Bond Resolution.

The Authority also covenants to impose, prescribe, adjust, enforce, and collect sufficient rates, rentals, fees and charges to produce Airport Revenues after deducting Operating Expenses, which, together with other available funds, will at least equal 125% of Debt Service on all Senior Bonds Outstanding.

For purposes of calculating the coverage requirements set forth above, transfers from the Nashville Airports Experience (NAE) Fund, if any are needed, (1) shall consist only of deposits made to the NAE Fund in a prior Fiscal Year and (2) shall not exceed 25% of Debt Service on all Senior Bonds Outstanding.

4.4.2 Additional Senior Bonds

Pursuant to the Senior Bond Resolution, the Authority is authorized to issue Additional Senior Bonds, subject to meeting certain conditions. To issue such Additional Senior Bonds, the Authority must provide either:

a) a Designated Financial Officer has certified that, based on the latest available audited financial statements of the Authority, the Airport Revenues after deducting Operating Expenses for that FY as derived from said audited financial statements equaled not less than 100% of average Debt Service on all Senior Bonds Outstanding and the Senior Bonds of the Series then proposed to be issued and any amount required to be deposited in the Airport Improvement Bond Reserve Fund to make up any deficiencies therein; or

b) an Airport Consultant has certified that estimated Airport Revenues after deducting Operating Expenses to be derived in each of the three full FYs following the FY in which:

    i) the Authority estimates a substantial portion of the Project or Projects, the costs of acquisition or construction of which are to be financed by the issuance of such Additional Senior Bonds, will be placed in continuous service or in commercial operation, equal not less than 125% of the Debt Service on all Senior Bonds to be Outstanding upon the issuance of such Additional Senior Bonds and including such Additional Senior Bonds and 100% of any amount required to be deposited in the Airport Improvement Bond Reserve Fund to make up any deficiencies therein, or

    ii) Refunding Senior Bonds are issued, equal not less than 125% of the Debt Service on all Senior Bonds to be Outstanding upon the issuance of such Additional Senior Bonds and including such Additional Senior Bonds and 100% of any amount required to be deposited in the Airport Improvement Bond Reserve Fund to make up any deficiencies therein.

4.5 Subordinate Resolution

The Metropolitan Airport Authority Act, Tenn. Code Ann. §§ 42-4-101 et seq., as amended, the Local Government Public Obligations Act of 1986, Tenn. Code Ann. §§ 9-21-101 et seq., as amended, and the Master Subordinate Resolution adopted by the Board of Commissioners of the Authority on October 16, 2019 (as supplemented, herein referred to as the Subordinate Resolution), authorizes the issuance of subordinate airport revenue bonds (Subordinate Bonds) to pay the costs of acquiring and constructing Airport System improvements, among other items. The Series 2019 Subordinate Bonds were the first series of Subordinate Bonds issued under the Subordinate Resolution. As of November 1, 2022, the Authority had outstanding $919,585,000 in aggregate principal amount of its Subordinate Airport Revenue Bonds (Existing Subordinate Bonds). The Subordinate Bonds are limited obligations of the Authority, secured by a pledge of and lien on Net Revenues, subject and subordinate to the pledge and lien on Net Revenues created in the Senior Bond Resolution for the payment and security of the Senior Bonds.

4.5.1 Subordinate Rate Covenant

In the Subordinate Resolution, the Authority has covenanted to impose and prescribe a schedule of rates, rentals, fees, and charges for the use and services of and the facilities and commodities furnished by the Airport System, to revise the same from time to time whenever necessary, and to collect the income, receipts, and other money derived therefrom so that the Airport System shall be and always remain financially self-sufficient and self-sustaining. The rates, rentals, fees and charges imposed, prescribed and collected shall be such as will produce Airport Revenues at least sufficient (i) to pay the principal of, interest on and premium, if any, on the Senior Bonds and Subordinate Bonds Outstanding as and when the same become due (whether at maturity or upon required redemption prior to maturity or otherwise); (ii) to pay as and when the same become due all Operating Expenses, (iii) to pay as and when the same become due any and all other claims, charges or obligations payable from Airport Revenues, and (iv) to carry out all provisions and covenants of the Subordinate Resolution.

The Authority also covenants to impose, prescribe, adjust, enforce, and collect sufficient rates, rentals, fees and charges to produce Net Revenues, which, together with other available funds, will at least equal 110% of Debt Service on all Senior Bonds and Subordinate Bonds.

For purposes of calculating the coverage requirements set forth above, transfers from the NAE Fund, if any are needed, (1) shall consist only of deposits made to the NAE Fund in a prior Fiscal Year and (2) shall not exceed 10% of Debt Service on all Senior Bonds and Subordinate Bonds Outstanding.

4.5.2 Additional Subordinate Bonds

Pursuant to the Subordinate Resolution, the Authority is authorized to issue Additional Subordinate Bonds, subject to meeting certain conditions. To issue such Additional Subordinate Bonds, the Authority must provide either:

a) a Designated Financial Officer has certified that, based on the latest available audited financial statements of the Authority, the Net Revenues for that FY as derived from said audited financial statements equaled not less than 100% of average Debt Service on all Senior Bonds and Subordinate Bonds Outstanding and the Subordinate Bonds of the Series then proposed to be issued and any amount required to be deposited in the Airport Improvement Bond Reserve Fund or the Subordinate Bonds Reserve Fund to make up any deficiencies therein; or

b) an Airport Consultant has certified that estimated Net Revenues to be derived in each of the three full FYs following the FY in which in which (a) the Authority estimates a substantial portion of the Project or Projects, the costs of acquisition or construction of which are to be financed by the issuance of such

Additional Subordinate Bonds, will be placed in continuous service or in commercial operation or (b) Refunding Subordinate Bonds are issued, shall equal not less than one hundred ten percent of the Debt Service on all Senior Bonds and Subordinate Bonds to be Outstanding upon the issuance of such Additional Subordinate Bonds and including such Additional Subordinate Bonds and 100% of any amounts required to be deposited in the Subordinate Bond Reserve Fund to make up any deficiencies therein.

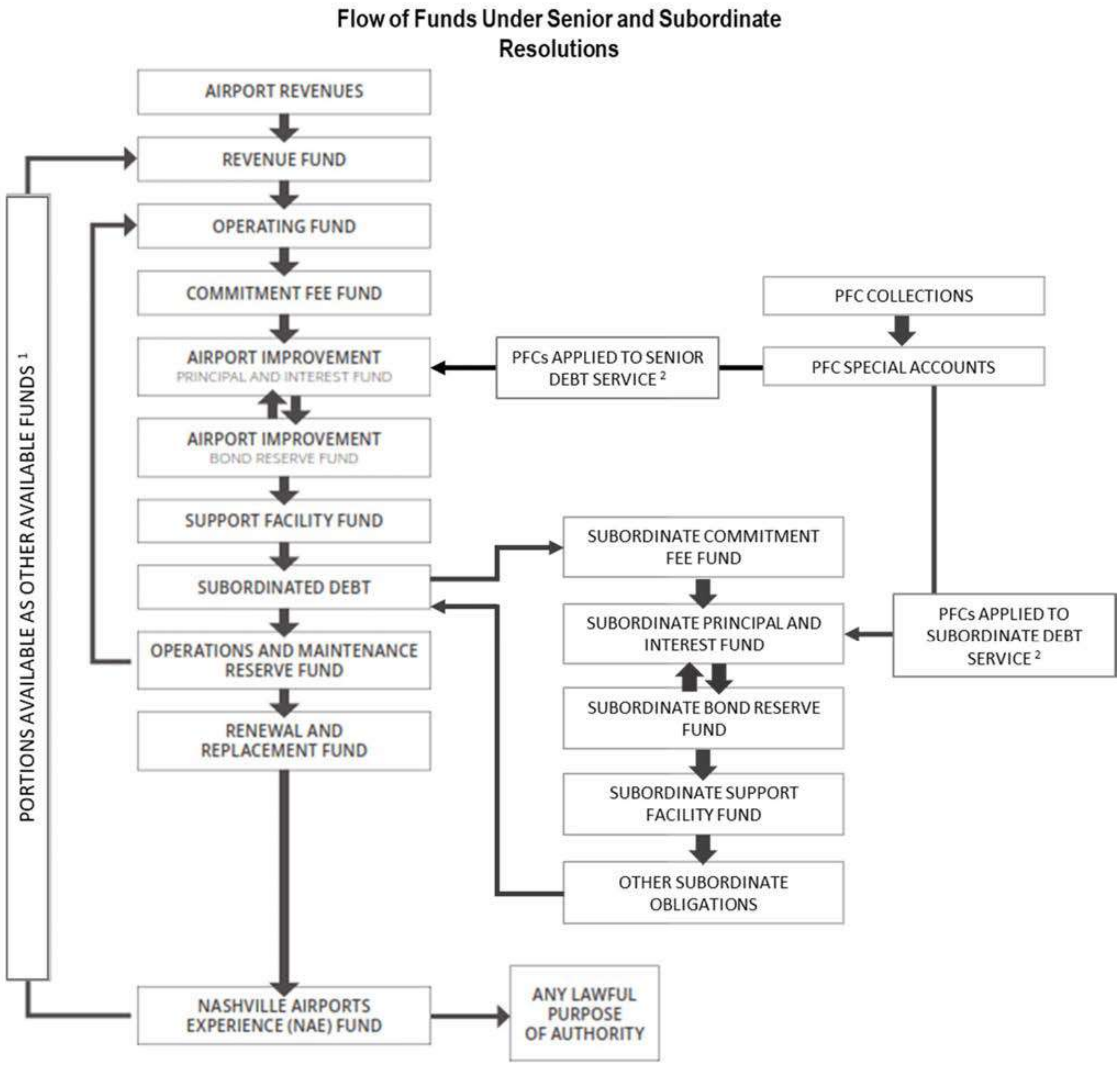
4.6 Note Purchase Agreement (Other Subordinate Obligations)

On January 7, 2019, the Authority entered into a Note Purchase Agreement with Bank of America, N.A. with an available commitment of $300 million. The Note Purchase Agreement provides the Authority a source for interim financing which allows the Authority flexibility on timing and sizing of future bond transactions. The Authority's payment obligations under the Note Purchase Agreement are secured by a pledge of and lien on Net Revenues junior and inferior to the lien and pledge on the Net Revenues created in the Senior Bond Resolution for the payment and security of the Senior Bonds and in the Subordinate Resolution for the payment and security of the Subordinate Bonds. As of November 1, 2022, $162.1 million had been drawn down was outstanding under the Note Purchase Agreement, of which all or a portion is anticipated to be repaid using a portion of the proceeds of the Series 2022 Senior Bonds. All of the outstanding balance of the existing notes outstanding under the Note Purchase Agreement will be repaid from a portion of the proceeds of the Series 2022 Senior Bonds, and, on or about the date of issuance of the Series 2022 Senior Bonds, new notes in the amount of $300 million will be issued under the Note Purchase Agreement and exchanged for outstanding notes and will be available to the Authority for interim financing to fund, among other things, certain elements of the Authority Capital Program.

4.7 Flow of Funds

The Senior Bond Resolution and the Subordinate Resolution established certain funds and accounts and the priority for the flow of Airport Revenues and certain other amounts to such funds and accounts, as described below. **Figure 4-2** illustrates the flow of funds for the Airport.

Figure 4-2 Flow of Funds



[1] NAE Fund transfers limited to 25% of Senior Debt Service or 10% of Senior and Subordinate Debt Service.
[2] PFCs are applied to debt service at the discretion of the Authority and are not included in Airport Revenues or pledged to the payment of debt service on the Senior Bonds or the Subordinate Bonds.
Source: Senior and Subordinate Resolutions.

All Airport Revenues are required to be deposited into the Revenue Fund, which is administered by the Authority. Airport Revenues credited to the Revenue Fund shall be disbursed monthly from the Revenue Fund in the following order of priority:

- **First:** to the Operating Fund, a monthly amount equal to 1/12 of the Operating Expense portion of the Annual Budget;
- **Second:** to the Commitment Fee Fund, a monthly amount, so that there shall be on deposit therein the commitment fees payable to a Financial Institution with respect to a Support Facility as the same become due and payable;
- **Third:** to the Airport Improvement Principal and Interest Fund (Senior Bonds), a monthly amount equal to the required Principal and Interest payments due on Senior Bonds until all required deposits to that account have been made. Deposits required to be made shall not include principal or interest on Senior Bonds paid or to be paid from amounts that are not Airport Revenues;
- **Fourth:** to make up any deficiency in any account in the Airport Improvement Bond Reserve Fund (Airport Improvement Bond Reserve Fund);
- **Fifth:** to the Support Facility Fund, until all required deposits to that account have been made;
- **Sixth**: to the to the Subordinate Commitment Fee Fund, a monthly amount, so that there shall be on deposit therein the commitment fees payable to a Financial Institution with respect to a Support Facility provided with respect to Subordinate Bonds as the same become due and payable;
- **Seventh:** to the Subordinate Principal and Interest Fund, a monthly amount equal to the required Principal and Interest payments due on Subordinate Bonds until all required deposits to that account have been made. Deposits required to be made shall not include principal or interest on Subordinate Bonds paid or to be paid from amounts that are not Airport Revenues;
- **Eighth:** to make up any deficiency in any account in the Subordinate Bond Reserve Fund;
- **Ninth**: to the Subordinate Support Facility Fund in amounts sufficient to pay all fees and charges to the Financial Institution in connection with a Support Facility obtained in connection with Subordinate Bonds other than amounts constituting commitment fees or interest on Subordinate Bonds held by such Financial Institution;
- **Tenth:** for the payment of Other Subordinate Obligations and any amounts required to be deposited in any reserve funds established thereof (the obligations payable under the Note Purchase Agreement are payable at this level);
- **Eleventh:** to the Operations and Maintenance Reserve Fund, in amounts sufficient to replenish during the next Fiscal Year any withdrawals from the Operations and Maintenance Reserve Fund;
- **Twelfth:** to the Renewal and Replacement Fund, in amounts sufficient to replenish during the next Fiscal Year any withdrawals from the Renewal and Replacement Fund; and
- **Thirteenth:** any remaining Airport Revenues shall be deposited in the Nashville Airports Experience (NAE) Fund.

The Senior Bond Resolution and the Subordinate Resolution permit amounts in the NAE Fund to be used to fund any deficiency in any of the funds enumerated above in order of priority; and to the extent needed may be used for any lawful purpose of the Authority.

4.8 Existing Signatory Passenger Airline Agreements

The Authority entered into Signatory Airline Use and Lease Agreements (the Existing Signatory Passenger Airline Agreements) which were originally effective through June 30, 2022, and were extended through June 30, 2023, with Alaska, Allegiant, American, Delta, Frontier, JetBlue, Southwest, Spirit, and United.

The Signatory Passenger Airline Agreements establish, among other things, procedures for setting and adjusting rentals, rates, fees and charges to be collected for the use of Airport facilities. Airlines that have executed the Signatory Passenger Airline Agreements and their operating affiliates (together, the Signatory Airlines) accounted for almost 97% of enplaned passengers at the Airport in FY 2022.

The Signatory Passenger Airline Agreements establish three cost centers for the purpose of determining rates and charges payable by the signatory airlines and other users of Airport facilities: Airfield, Terminal, and Terminal Ramp Area. Baggage and passenger loading bridges fees are also assessed. The Signatory Passenger Airline Agreements have a "hybrid" airline rate-setting methodology with the Landing Fees being calculated on a residual basis, the Terminal Rental Rates being fixed rates specified in the Signatory Passenger Airline Agreements that were initially derived based upon a compensatory basis using rentable space in the calculation, and Terminal Ramp Area rates generally established through a compensatory methodology. Other than the Airfield, the signatory airlines are not required to provide for break-even financial operation of the Airport under the Signatory Passenger Airline Agreements.

The Signatory Passenger Airline Agreements govern airline use of certain Airport facilities, including Airfield, Terminal, Terminal Ramp Areas, baggage claim, ticket counters and gate areas and permit the Signatory Airlines to lease Exclusive Premises, Preferential Use Premises, and Joint Use Premises. Exclusive Premises generally includes office space, storage areas, airline club lounges, employee break rooms, and baggage service area space; and Preferential Use Premises is Airport space, including holdroom areas and gates, ticket counters, and baggage makeup areas, leased to a Signatory Airline and to which the Signatory Airline has a higher and continuous priority of use over all other air carriers. Joint Use Premises includes baggage claim areas and baggage makeup equipment. Appendix D of the Official Statement presents a summary of the Signatory Passenger Airline Agreements.

Passenger airlines and cargo carriers operating at the Airport that are not Signatory Airlines or Affiliates of Signatory Airlines (the Non-Signatory Airlines) are subject to rates and charges that reflect a 25 % premium over the rates and charges established in the Signatory Passenger Airline Agreements.

The key provisions of the Signatory Passenger Airline Agreements are summarized in the following sections.

4.8.1 Rate-Setting Methodology in the Airline Cost Centers

The Airport has been segregated into six direct cost centers for the purposes of setting airline rates and charges: three Airline cost centers and three Authority cost centers. The Airline cost centers include the Airfield, Terminal, and Terminal Ramp Area cost centers, each of which are direct cost centers, plus their allocated portions of the indirect cost center. The Authority's cost centers include Parking and Ground Transportation, Other Buildings and Area, and JWN, plus their allocated portions of indirect cost centers.

Landing Fees under the Signatory Passenger Airline Agreements are calculated primarily on an Airfield cost center residual basis. Capital costs allocable to the Airfield, including Debt Service on bonds, may be included in the calculation of the Landing Fees with MII approval. The Landing Fee calculation also includes a Signatory Airline contribution for a portion of the net cost for the Reliever Airport through a negotiated annual amount referred to as the Reliever Airport Support Costs.

The Terminal Rental Rate under the Signatory Passenger Airline Agreements is calculated on a compensatory basis with fixed rates. There is no specific provision in the Signatory Passenger Airline Agreements for increasing the Terminal Rental Rate to provide for the payment of Debt Service on Outstanding or Additional Bonds or to provide for the payment of Operating Expenses allocable to the Terminal. The fixed Terminal Rental Rates were negotiated to include allowances for bonds that are currently outstanding, the funding of approximately $150.3 million of CIP-related costs for the Terminal from various sources including the Debt Service on Additional Bonds required to support approximately $66.5 million of projects costs, and typical Operating Expense escalations. Under the one-year extension of the existing Signatory Passenger Airline Agreements, the Terminal Rental Rate was set based on a 5% increase from the fixed FY 2022 Terminal Rental Rate.

Operating Expenses, Debt Service, and other allowable capital costs on Passenger Loading Bridges, Baggage Claim Equipment, and Baggage Make-Up Equipment, and the Terminal Ramp Area are also calculated on a compensatory basis. Debt Service on Bonds allocable to the acquisition of Passenger Loading Bridges or for Baggage Claim Equipment, Baggage Make-up Equipment and the Terminal Ramp Area may be included in the Passenger Loading Bridge Fees, Baggage Fees, and Terminal Ramp Area rentals with MII approval.

Additionally, other than revenues allocable to the Airfield, the Authority also shares a portion of in-terminal concessions, referred to as Concession Revenue Share, with the Signatory Passenger Airlines in the form of a credit against Terminal Rents.

The Signatory Passenger Airline Agreements allow for the annual calculation and adjustment of Landing Fees, Passenger Loading Bridge Fees, Baggage Fees, and Terminal Ramp Area rentals, on July 1 of each fiscal year, using budgeted Operating Expenses, Debt Service, other recoverable capital costs, and non-airline Airfield revenues. The Signatory Passenger Airline Agreements also allow for a final adjustment of Landing Fees and Revenue Sharing credits after the annual audit of Authority records and combined credits or debits are issued to each Signatory Airline for combined overpayments or underpayments made during the fiscal year.

4.8.2 Authority Cost Centers

The Authority’s cost centers are not subject an airline rate-setting methodology. Airport Revenues generated in the Authority’s cost centers can be used by the Authority to meet various obligations or be used for other authorized aviation-related purposes. The Authority bears the responsibility and risk for the Authority’s cost centers, with the exception of a portion of the Reliever Airport.

4.8.3 Revenue Sharing

The Signatory Passenger Airline Agreements provide for revenue sharing with the Signatory Passenger Airlines. The Concession Revenue Share, comprised of 50% of in-terminal concessions, is credited to each Signatory Passenger Airline based on its pro rata share of enplaned passengers to reduce Terminal Rents.

4.8.4 Airline Approval of Capital Improvement Projects

The Signatory Airlines agreed in the Signatory Passenger Airline Agreements to a Majority-in-Interest (MII) approval process related to Airfield Capital Improvement Projects. Other than certain capital improvements identified in the Signatory Passenger Airline Agreements (and summarized below), any Airfield capital improvement with a net cost to the Authority in excess of $50,000 and funded in a manner that will directly impact the airline rate base is subject to the MII approval process. The Signatory Passenger Airline Agreements also require MII approval for previously approved Airfield Capital Improvement Projects that increase in net cost by the greater of 20% or $100,000 and this increased cost will be funded through airline rates and charges to be paid by Signatory Airlines. In general, Signatory Airlines vote to approve a capital improvement with MII approval. MII approval is generally defined in the Signatory Passenger Airline Agreements as more than 50% of Signatory Airlines in number that also account for more than 75% of the Signatory Airline Landing Fees paid, during the immediately preceding 12-month period, by all Signatory Airlines.

In the event of MII disapproval, the Authority may only proceed with the Capital Improvement Project only if the Authority confirms in writing to all Signatory Airlines that the Authority will not fund the Capital Improvement Project in any way through rates and charges to be paid by Signatory Airlines.

The Authority may implement, at any time, certain types of Airfield Capital Improvement Projects that are not subject to the MII process. These include the following:

- Capital Improvement Projects that will not be funded through rates and charges to be paid by Signatory Airlines
- Capital Improvement Projects previously approved by a Majority-in-Interest under Prior Airline Use and Lease Agreements or this Agreement
- Capital Improvement Projects with Capital Costs of less than $50,000 of the Authority's share (net of PFCs and federal and state grants) of Capital Costs
- Capital Improvement Projects required by a government agency with jurisdiction over the Airport
- Capital Improvement Projects of an emergency nature, which, if not made, would substantially impair the current operation of the Airport
- Capital Improvement Projects requested, funded, and paid for by an Air Carrier
- Capital Improvement Projects made to satisfy judgments, comply with judicial or administrative orders, or comply with consent decrees against the Authority arising from or relating to its design, construction, ownership, maintenance or use of the Airport, provided that the Authority shall consult with Airline prior to making the determination to undertake such a Capital Improvement Project.

The Authority has secured all MII approvals necessary to complete the portions of the Authority’s Capital Program being funded with proceeds of the Series 2022 Senior Bonds. For purposes of the financial analysis in this Report, it is assumed that the Authority will acquire all future MII approvals needed to complete the Authority’s Capital Program.

4.9 Negotiation of New Signatory Passenger Airline Agreements

The Existing Signatory Passenger Airline Agreements, as amended, expire in June 2023 and will not be extended further under the existing terms. The Authority is currently in active negotiations with the Signatory Airlines regarding the Proposed Signatory Passenger Airline Agreements to become effective upon the expiration of the Existing Signatory Passenger Airline Agreements at the end of FY 2023. At this time, the Proposed Signatory Passenger Airline Agreements have not yet been finalized. However, the Authority and the Signatory Airlines have reached agreement in principle on the methodologies for airline rates and charges and revenue sharing methodology to be included in the Proposed Signatory Passenger Airline Agreements.

The Authority and Southwest, the largest airline operating at the Airport and a key representative of the Signatory Airlines, have each signed a Memorandum of Understanding (MOU), which sets forth certain key terms and conditions of the Proposed Signatory Passenger Airline Agreements that have been negotiated and agreed to between the Authority and the Signatory Airlines. The terms set forth in the MOU do not represent the entire and final agreement, but represent the good faith agreement upon which the parties will draft the Proposed Signatory Passenger Airline Agreements.

4.9.1 Financial Forecasts After Expiration of Existing Signatory Passenger Airline Agreements

For the purposes of the forecasting airline revenues, presented in Section 4.16 herein, it is assumed that airline rates and charges will be set in accordance with the rate-setting methodologies set forth and agreed to in the MOU. The MOU is not intended to create any binding legal obligation of the parties. the Proposed Signatory Passenger Airline Agreements be executed between the Authority and the Signatory Airlines, the parties' rights and obligations with respect to the matters described in this MOU shall be governed by the agreement and not the MOU. Therefore, certain assumptions regarding the future airline rates and charges methodology are used solely for the purposes of this Report to forecast future airline revenues.

A summary of the airline rates and charges methodologies assumed in this Report is as follows:

- Landing Fees are assumed to continue as a cost center residual calculation as described in Section 4.8.1 above. For purposes of the financial analysis in this Report, the current Landing Fee calculation methodology, adjusted for the inclusion of rolling debt service coverage equal to 25% of incremental Senior Lien debt service and 10% of incremental Subordinate Lien debt service into the rate calculation, is assumed from FY 2024 through the end Forecast Period.
- Terminal Rental Rates are calculated using a commercial compensatory methodology, which differs from the current fixed rate methodology under the Signatory Passenger Airline Agreements. For purposes of the financial analysis in this Report, the Terminal Rental Rate is assumed to be calculated using a commercial compensatory methodology similar to the existing Terminal Ramp Area rental rate calculation described in Section 4.8.1 above, adjusted for the inclusion of amortization of Authority cash expenditures on Terminal Cost Center capital projects as well as rolling debt service coverage equal to 25% of incremental Senior Lien debt service and 10% of incremental Subordinate Lien debt service, from FY 2024 through the end of the Forecast Period.
- Terminal Ramp Area Rates are assumed to continue as a compensatory calculation, generally the same as the current methodology described in Section 4.8.1 above. For purposes of the financial analysis in this Report, the current compensatory methodology, adjusted for the inclusion of rolling debt service coverage equal to 25% of incremental Senior Lien debt service and 10% of incremental Subordinate Lien debt service, and the inclusion of amortization of Authority cash expenditures on Terminal Ramp Area Cost Center capital projects, is assumed for the Terminal Ramp Area Rate calculation through the Forecast Period in this Report.
- Fees for the use of Passenger Loading Bridges and Baggage Handling Systems are assumed to continue with generally the same as the methodology currently use as described in Section 4.8.1 above. For purposes of the financial analysis in this Report, the current compensatory methodology, adjusted for the inclusion of rolling debt service coverage equal to 25% of incremental Senior Lien debt service and 10% of incremental Subordinate Lien debt service, and the inclusion of amortization of Authority cash expenditures on associated capital projects, is assumed for the calculation of these fees through the Forecast Period in this Report.
- The airline revenue sharing methodology for the Signatory Airlines is based on the weighting of three factors: Net Remaining Revenues, In-Terminal Concessions and a fixed share per enplanement. The funding source for airline revenue sharing will be from Authority's available In-Terminal concession revenues, whereas the Signatory Airlines will receive the 20th percentile of those three factors with some opportunity for additional amounts based on enplaned passenger growth.

There is no indication, at this time, that the Authority and the Signatory Airlines will not reach agreement on the Proposed Signatory Passenger Airline Agreements, as indicated by the MOU. Negotiations between the Authority and the Signatory Airlines are ongoing and are expected to continue to take place with resolution expected prior to the June 2023 expiration of the existing agreement. It is possible that the airline rate-setting methodologies used by the Authority may ultimately differ from those presented herein; however, the Authority's obligations to bond holders set forth in the Senior Bond Resolution and the Subordinate Resolution, including the obligation to set rates and charges sufficient to meet the respective Rate Covenants and the ability to charge airline rates by ordinance, remain. For additional information on the terms of the Proposed Signatory Passenger Airline Agreement MOU, please refer to the Official Statement (see "Existing and Proposed Signatory Passenger Airline Agreements").

If no resolution on the Proposed Signatory Passenger Airline Agreements is reached, the Authority may unilaterally implement, without airline consent or written agreements, rate-setting methodologies that meet the requirements of the FAA's Policy Regarding the Establishment of Airport Rates and Charges ("Rates and Charges Policy") and other applicable requirements of federal law and federal grant assurances. For the purposes of the sensitivity analysis provided in Section 4.19 of this Report, an alternative forecast of airline revenues from FY 2024 through FY 2031 was developed to meet the requirements of the Rates and Charges Policy and the Authority's other federal requirements.

4.10 Other Agreements

The Authority has entered into an agreement with Fraport USA (Fraport) for the development and management of the concession program at the Airport. The 10-year Lease and Concession Agreement, effective August 15, 2018, engaged Fraport USA to design, construct, lease and manage the concessions space across the Airport's four concourses in the passenger terminal, including: food court restaurants, cafes, pubs, full-service restaurants, newsstands, retail shops, and display advertising, among other specialties. With concessions redevelopment a part of BNA Vision, the Lease and Concession Agreement with Fraport includes the development and management of more than 90 new food & beverage, specialty retail, passenger services and news and gifts outlets in 133,000 square feet of Airport concession space. The concessions redevelopment includes a transition plan to ensure that concessions will be available to passengers during renovations with staggered store openings between 2019 and 2023.

The Authority has also entered into an agreement with Paradies Lagardere @ Nashville, LLC (Paradies) for the design, construction and operation of 7 restaurant and retail locations in the Satellite Concourse.

The following rental car companies operate at the Airport: Avis, Budget, Burgner Enterprises Inc. (operating as Thrifty Car Rental), Enterprise, Hertz, Midwest Rental & Leasing LLC (operating as Dollar Rent-a-Car Company), Vanguard Car Rental USA Inc. (which operates the Alamo and National brands and is wholly owned by Enterprise Holdings), Sixt, and Payless. All of the rental car companies operating at the Airport must collect and remit CFCs. The Authority contracts with LAZ Parking Services, Inc. to manage and operate on-Airport automobile parking facilities and valet parking services. The Authority contracts with ABM for shuttle bus services. In addition, the Airport System has lease and agreements with cargo facility and fixed base operators and tenants leasing hangars and buildings.

Airport non-airline agreements have various terms and conditions. In general, the business terms of the agreements are based on industry standards and practices. Additional summaries of key non-airline agreement terms are provided below:

- <u>Lease and Concession Agreement (Fraport)</u>:
  - Includes development and management of Airport terminal concessions program in the Terminal Building
  - Term of agreement is August 15, 2018 through January 31, 2029
  - Rent equal to greater of 60% of sublessee rents or MAG (equal to greater of 85% of previous years rents or $11 million)
- <u>Lease and Concession Agreement (Paradies)</u>:
  - Includes development and management of Airport terminal concessions program in the Satellite Concourse
  - Term of agreement from October 19, 2023 to October 18, 2033 (subject to change based on any changes to the Satellite Concourse construction schedule),
  - Rent equal to the greater of a MAG ($2,400,000 with a fixed 3% annual increase at the start of each calendar year beginning January 2025) or % of gross receipts by merchandise category ranging from 14%-21%.
- <u>Parking Agreement (LAZ)</u>:
  - Includes automobile parking facilities
  - Term of agreement is July 1, 2021 through June 30, 2024
  - Authority retains parking revenues, pays parking operator a management fee (approximately $414,000 in FY 2023)
  - Off-airport parking competition by four operators
- <u>Valet Agreement (LAZ)</u>:
  - Includes valet parking services
  - Term of agreement is July 1, 2022 through June 30, 2026
  - Authority retains valet parking revenues, pays parking operator a management fee (approximately $520,000 in FY 2023)
- <u>Shuttle Service Agreement (ABM)</u>:
  - Provide shuttle services to Economy parking lots B & C, employee parking lot and satellite terminal when it opens
  - Term of agreement: seven years from commencement date (the earlier of either January 1, 2024 or the delivery of the new electric shuttles)
  - Authority will pay the vendor $23.25 per hour
- <u>Rental Car Concession Agreement</u>:
  - Concession fees equal to 11% of gross revenues
  - MAG equal to greater of 85% of either prior year concession fees or initial year concession fees
  - Total MAG amounts for FY 2022 were approximately $17.6 million
  - Term of agreement is January 4, 2010 through January 3, 2025

4.11 Federal Aid Related to COVID-19

The United States government provided assistance to U.S. airports as a result of air traffic impacts at the Airport associated with the COVID-19 pandemic. The following legislative actions were taken.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act (H.R. 748, Public Law 116-136) was approved by the U.S. Congress and signed by the President on March 27, 2020. It is one of the legislative actions taken to address the crisis associated with the COVID-19 pandemic and includes among its relief measures direct aid in the form of grants for U.S. airports, as well as direct aid, loans and loan guarantees for passenger and cargo airlines. The CARES Act provides $10 billion of grant assistance to airports.

On December 27, 2020, the Consolidated Appropriations Act, 2021 was signed by the President. Division M of that Act is the Coronavirus Response and Relief Supplemental Appropriation Act, 2021 (CRRSAA). Title IV of CRRSAA provides approximately $2 billion in economic relief to airports to prevent, prepare for, and respond to the COVID-19 public health emergency, including relief from rent and minimum annual guarantees (MAGs) for eligible airport concessions at primary airports.

On March 11, 2021, the President signed the American Rescue Plan Act (ARP) Act of 2021, a $1.9 trillion economic stimulus package designed to help the United States' economy recover from the adverse impacts of the COVID-19 pandemic. In addition to other economic relief, ARP Act includes financial relief for certain eligible airports. For eligible airports, ARP Act appropriates $8 billion to assist such airports to prevent, prepare for, and respond to COVID-19, and such amounts remain available until September 30, 2024.

Table 4-1 summarizes the COVID-19 Federal Relief Funds the Authority has been awarded, the actual funds drawn by the Authority and the remaining funds to be drawn by the Authority through September 30, 2022. As shown, the Authority has been awarded approximately $136.2 million in relief funds, of which approximately $71.7 million has been used. For the purposes of the financial analysis herein, no assumptions regarding the timing or uses of the remaining $64.6 million of available relief funds have been made.

Table 4-1 COVID-19 Federal Relief Funds for the Airport (Dollars in Thousands)

	CARES Act	CRRSAA (Operation)	CRRSAA (Concession Relief)	ARP Act (Operation)	ARP Act (Concession Relief)	Total
Total Award	**$55,032**	**$15,171**	**$1,914**	**$56,523**	**$7,665**	**$136,295**
Uses:						
FY 2020						
Operating Expenses	$2,926					$2,926
Debt Service	3,384					3,384
FY 2020 Total	$6,309					$6,309
FY 2021						
Operating Expenses	$3,988					$3,919
Debt Service	26,175					26,175
FY 2021 Total	$30,163					$30,163
FY 2022						
Operating Expenses	$2,027					$2,027
Debt Service	16,533	$6,506				23,039
FY 2022 Total	$18,560	$6,506				$25,066
FY 2023						
Operating Expenses						
Debt Service		$8,608		$1,522		$10,130
FY 2023 Total		$8,608		$1,522		$10,130
Total Uses	**$55,032**	**$15,114**	**$0**	**$1,522**	**$0**	**$71,668**
Amount Remaining	**$0**	**$57**	**$1,914**	**$55,001**	**$7,655**	**$64,627**

Note: Amounts may not add due to rounding.
Source: Metropolitan Nashville Airport Authority

4.12 The Series 2022 Senior Bonds and Future Bonds

The Authority is planning to issue the Series 2022 Senior Bonds to: (1) pay and/or reimburse the Authority for a portion of the costs of certain elements of the Authority's Capital Program (as defined herein), (2) pay all or a portion of the amounts outstanding under the Note Purchase Agreement (as defined herein), (3) fund capitalized interest on the Series 2022 Senior Bonds, (4) fund a deposit to the Airport Improvement Bond Reserve Fund to meet the Airport Improvement Bond Reserve Fund Requirement, and (5) pay certain costs of issuance related to the Series 2022 Senior Bonds.

Table 4-2 presents a listing of estimated sources and uses of funds for the proposed Series 2022 Senior Bonds. The estimated sources and uses of funds and Debt Service for the proposed Series 2022 Senior Bonds were prepared by the Authority's financial advisor, PFM Financial Advisors LLC (PFM).

Debt Service estimates for the Series 2022 Senior Bonds were provided by PFM and include the following assumptions:

- Market interest rates as of October 27, 2022 plus 50 basis points
- Final maturity of 30 years
- The first principal payment is assumed to occur on 7/1/2026
- A portion of the bond proceeds will fund capitalized interest during construction
- A portion of the bond proceeds will fund a debt service reserve account deposit

Table 4-2 Series 2022 Senior Bonds Sources and Uses (Dollars in Thousands)

	Series 2022A (Non-AMT)	Series 2022B (AMT)	Total
Sources:			
Par Amount of Bonds	$87,790	$546,950	$634,740
Premium/ (Discount)	2,510	5,433	7,943
Total Sources	**$90,300**	**$552,383**	**$642,683**
Uses:			
Project Fund/Note Purchase Agreement Repayment	$81,769	$456,745	$538,514
Debt Service Reserve Fund	1,613	52,544	54,157
Capitalized Interest Fund	6,520	40,617	47,137
Cost of Issuance	398	2,477	2,875
Total Uses	**$90,300**	**$552,383**	**$642,683**

Note: Amounts may not add due to rounding.
Source: PFM Financial Advisors LLC, October 31, 2022

As described in Chapter 3 of this Report, the Authority plans to issue future bonds in addition to the Series 2022 Senior Bonds to fund approximately $2.0 billion of Authority capital program costs during the Forecast Period.

Table 4-3 presents a summary of the planned bond issuances during the Forecast Period.

Table 4-3 Planned Bond Issuances through the Forecast Period[1]

Issuance	Assumed Construction Fund Deposit	Lien Status
Series 2022 Senior Bonds	$538.5 million	Senior
Future Series 2024	$677.4 million	Senior[1]
Future Series 2026	$784.5 million	Senior[1]
Total	**$2.00 billion**	

[1] Lien status assumed for the financial analysis in this Report. The Authority may elect to issue one or more series of future bonds on a subordinate lien basis.
Note: Amounts may not add due to rounding.
Source: PFM Financial Advisors LLC, October 2022

Debt Service estimates for the assumed future bond issuances in 2024 and 2026 were also provided by PFM and include the following assumptions:

- True interest cost (TIC) of approximately 6.0%
- Final maturity of 30 years
- Assumed issuance dates: July 1, 2024 (Series 2024) and July 1, 2026 (Series 2026)
- A portion of the bond proceeds will fund capitalized interest during construction

Exhibit B at the end of this Report presents a summary of annual Debt Service on Senior Bonds and Subordinate Bonds, net of forecast PFCs applied to Debt Service and capitalized interest, for FY 2023 and for the Forecast Period of FY 2024 through FY 2031. Debt Service on Senior Bonds, net of PFCs and including the Series 2022 Senior Bonds, is anticipated to be approximately $16.5 million in FY 2023 and is forecast to increase throughout the Forecast Period to approximately $187.2 million in FY 2030, as debt service on assumed future Senior Bonds is forecast to become payable over that time. Net debt service on Senior Bonds is then forecast to decrease slightly to $186.3 million in FY 2031 as additional PFCs are forecast to be applied to offset debt service. Debt Service on the Series 2022 Senior Bonds, net of PFCs and capitalized interest, is estimated to be approximately $2.5 million beginning in FY 2023 and forecast to increase each year as projects are completed to approximately $47.1 million in FY 2026, then to remain level through the Forecast Period.

4.13 Operating Expenses

Table 4-4 presents annual historical Operating Expenses of the Authority for the Airport System from FY 2018 through FY 2022. During this period, total Operating Expenses increased from approximately $90.7 million to approximately $99.2 million, reflecting a CAGR of approximately 2.2%. As shown, O&M expenses increased from approximately $90.7 million to $98.7 million from FY 2018 to FY 2019, then decreased to approximately $97.1 million and $84.8 million in FY 2020 and FY 2021, respectively, as the Authority instituted cost saving measures such as a freeze on hiring and reductions in purchased services. O&M Expenses increased to approximately $99.2 million in FY 2022 as the demand for travel returned and traffic increased at the Airport. Increases in FY 2022 were primarily attributable to increases in purchased services.

Table 4-4 Historical Operating Expenses[1] (Dollars in Thousands)

Operating Expense Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY18 - FY22 CAGR
Personnel [2]	$42,813	$43,342	$41,470	$35,664	$34,032	(5.6%)
Purchased Services	35,572	39,388	41,732	35,054	49,028	8.4%
Utilities	4,880	5,818	5,978	5,762	7,002	9.4%
Materials & Supplies	3,815	4,037	3,719	3,881	4,492	4.2%
Other	3,646	6,104	4,179	4,414	4,598	6.0%
Total Operating Expenses	**$90,726**	**$98,689**	**$97,078**	**$84,775**	**$99,153**	**2.2%**

[1] Reflects Authority reports used for setting airline rates and charges, which may differ from Financial Statements
[2] Includes Pension and OPEB Scheduled Funding and does not include the MNAA Properties Corporation (MPC)
Note: Amounts may not add because of rounding.

Exhibit C at the end of this Report presents the Operating Expenses by category and cost center budgeted for FY 2023 and forecast from FY 2024 through FY 2031. Total Operating Expenses are budgeted to increase 30.4% from approximately $99.2 million in FY 2022 to approximately $129.3 million in FY 2023 to account for staffing and contracted service needs related to recent traffic growth, inflation, and the completion of elements of the Authority's Capital Program. As shown, total Operating Expenses are then forecast to increase at a CAGR of approximately 7.1% from FY 2023 through the end of the Forecast Period in FY 2031.

Overall, the Authority's forecast of Operating Expenses is based on historical trend reviews, the anticipated impacts of inflation, forecast activity levels, and impacts associated with the implementation of the Authority's Capital Projects, including the opening of the Terminal Lobby in FY 2024, Satellite Concourse in FY 2024, Baggage System Improvements in FY 2025, FY 2027, and FY 2028, and Concourse A in FY 2029.

Key Operating Expenses categories and assumptions in forecasting future growth are summarized below. These categories account for more than 95% of the Airport System's total Operating Expenses for budget FY 2023.

- **Purchased Services**. This expense category includes costs associated with the Authority's outsourcing for parking lot operations, shuttle bus services, contract maintenance, janitorial, professional services and consulting services for the Airport System. It is the largest single category of expenses of the Airport System as it represents approximately 46.0% of total expenses at the Airport System for budget FY 2023. This category of expenses increased at a CAGR of approximately 8.4% for the period FY 2018 through FY 2022. Purchased services expenses are budgeted to increase by approximately 18.6% in FY 2023 to approximately $58.1 million, and then forecast to increase by an additional approximately 20.0% to $70.1 million in FY 2024 to reflect anticipated traffic growth at the Airport, inflation, new service contracts, and the implementation of the Authority's Capital Program. Future purchased services expenses are forecast to increase at a CAGR of approximately 6.5% from FY 2023 through FY 2031.
- **Personnel**. This expense category includes salaries, wages, and benefits associated with Authority staff, including the funding of unfunded pension and other post-employment benefits (OPEB) liabilities. It is the second largest category of expenses at the Airport System as it represents approximately 41.0% of total expenses at the Airport budgeted for FY 2023. As presented above, these expenses decreased from approximately $43.3 million in FY 2019 to approximately $35.7 million in FY 2021 as a result of cost saving

measures taken during the COVID-19 pandemic. Personnel expenses are budgeted to increase by approximately 55.8% in FY 2023 to approximately $53.0 million to reflect additional staff requirements associated with traffic growth at the Airport and the implementation of the Authority's Capital Program. Personnel expenses are forecast to increase at a CAGR of approximately 7.2% from FY 2023 through FY 2031.

- **Utilities**. Utilities expenses of the Airport System comprise approximately 4.9% of total Operating Expenses of the Airport System budgeted for FY 2023. This category of expense increased at a CAGR of approximately 9.4% for the period FY 2018 through FY 2022, primarily associated with the recovery of airline traffic and inflationary impacts in FY 2022. Utilities expenses are budgeted to be approximately $6.3 million in FY 2023 and are forecast to increase at a CAGR of approximately 8.8% from FY 2023 through FY 2031 to reflect assumed increases in the cost of utilities and new facilities coming online from the implementation of the Authority's Capital Program.
- **Materials & Supplies**. Materials & Supplies expenses of the Airport System comprise approximately 4.2% of total Operating Expenses at the Airport System budgeted FY 2023. This category of expenses increased at a CAGR of approximately 4.2% for the period FY 2018 through FY 2022 and is budgeted to increase 22.0% from $4.5 million in FY 2022 to approximately $5.5 million in FY 2023. Future material & supplies Operating Expenses are forecast to increase at a CAGR of approximately 7.5% from FY 2023 through FY 2031 to reflect assumed future traffic growth at the Airport, inflation, and the implementation of the Authority's Capital Program.

4.13.1 Allocation of Operating Expenses to Cost Centers

For financial planning purposes and to implement the Signatory Passenger Airline Agreements' rate-setting methodologies, the Airport System is divided into cost centers as described earlier in this Chapter. Six of the cost centers are revenue-generating direct cost centers and the remaining cost center is an indirect cost center.

Essential indirect functions allocated to direct cost centers include Administration, Legal, Properties and Business Development, Air Service Development, Human Resources, Information Technology, Finance, Design, Environmental, and Strategic Planning. These expenses are allocated to direct cost centers as defined in the Signatory Passenger Airline Agreements. Indirect expenses are allocated to direct cost centers for the purposes of calculating Landing Fees, Terminal Ramp Area rentals, and, after FY 2023, Terminal Rental Rates.

4.14 Non-Airline Revenue

Table 4-5 presents historical non-airline revenue for the Airport System for the period of FY 2018 to FY 2022. As shown, the five primary categories of non-airline revenue historically accounting for more than 66% of the Airport System's total Operating Revenue is presented along with growth rates during this period. Non-airline revenue totaled approximately $113.3 million in FY 2019 and then decreased to $96.8 million and $81.1 million in FY 2020 and FY 2021, respectively, resulting from the decreased travel demand associated with the COVID-19 pandemic. However, as traffic rebounded in FY 2022 to above pre-pandemic levels, non-airline revenue increased to approximately $150.8 million in FY 2022, reflecting a CAGR of approximately 10.2% from FY 2018 through FY 2022. Non-Airline Revenue on a per-unit or per enplaned passenger basis increased from $13.71 to $16.36 during this period.

Table 4-5 Historical Airport Non-Airline Revenue (Dollars in Thousands)[1]

Non-Airline Revenue Category	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY18 - FY22 CAGR
Parking	$50,369	$53,153	$41,694	$27,116	$76,135	10.9%
Ground Transportation	4,917	7,311	6,674	4,901	12,644	26.6%
Rental Car	15,187	16,183	14,144	12,656	20,452	7.7%
Terminal Concessions	12,760	13,902	10,671	9,374	16,743	7.0%
Other [2]	19,163	22,701	23,581	27,046	24,825	6.7%
Total Non-Airline Revenues	**$102,396**	**$113,250**	**$96,764**	**$81,093**	**$150,799**	**10.2%**
Enplaned Passengers	7,466	8,596	6,858	5,152	9,218	5.4%
Non-Airline Revenue per Enplaned Passenger	**$13.71**	**$13.17**	**$14.11**	**$15.74**	**$16.36**	**4.5%**
Percent of Total Operating Revenue	66.9%	66.0%	67.2%	62.7%	72.7%	

[1] Reflects categories used for Authority reporting, which may differ from Financial Statements
[2] Includes other building and area rents, Reliever Airport revenues, and other miscellaneous revenues.
Note: Amounts may not add because of rounding.
Source: Metropolitan Nashville Airport Authority, September 2022

Exhibit D at the end of this Report presents Non-Airline Revenue of the Airport System budgeted for FY 2023 and forecast for FY 2024 through FY 2031. Non-Airline Revenues are forecast to increase from approximately $145.9 million budgeted in FY 2023 to approximately $230.7 million in FY 2031, reflecting a CAGR of approximately 5.9% over the Forecast Period. In general, the forecast of Non-Airline Revenues is based on historical trend reviews, forecast activity levels, and impacts associated with implementation of the Authority's Capital Program.

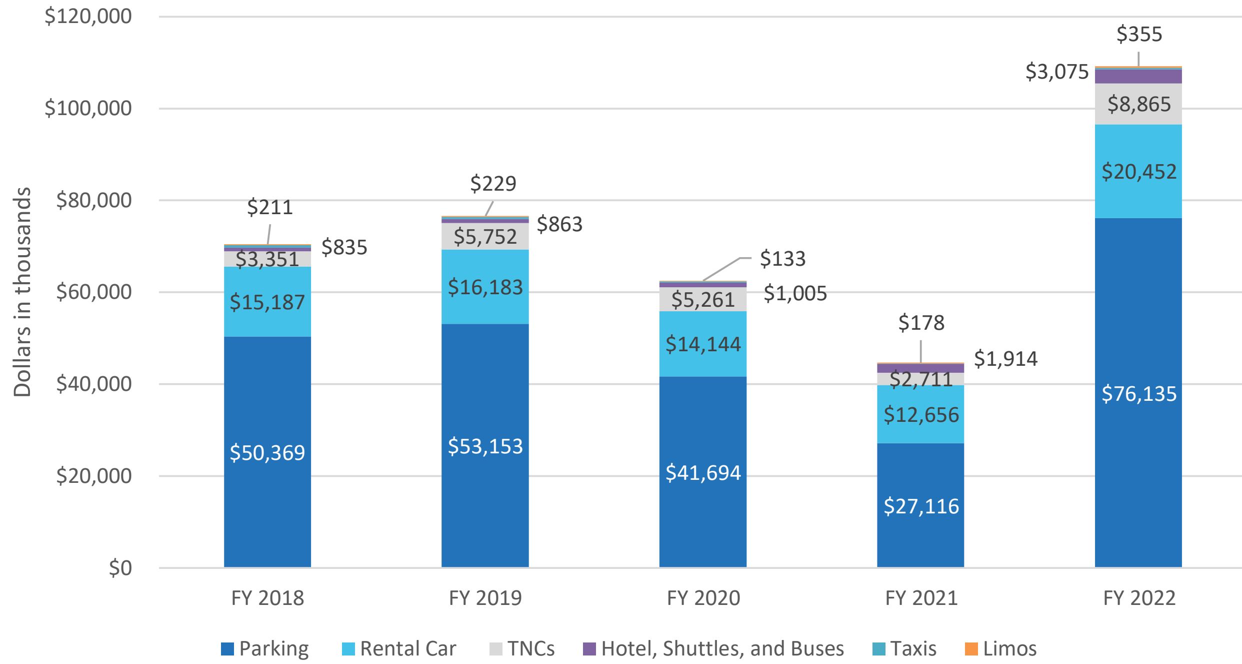
Non-Airline Revenues are further described in the following sections.

4.14.1 Parking, Ground Transportation, and Rental Car

Parking, ground transportation, and rental car revenues represent the largest component of Non-Airline Revenues at the Airport System, accounting for nearly 75% of total Non-Airline Revenues budgeted for FY 2023. Automobile parking revenues, TNC fees, rental car concessions, and taxi/limousine/shuttle fees are the primary sources of parking and ground transportation revenue.

Figure 4-3 presents parking, ground transportation, and rental car revenues by type from FY 2018 through FY 2022, each described below.

Figure 4-3 Parking, Ground Transportation, and Rental Car Revenues



Source: Metropolitan Nashville Airport Authority

4.14.1.1 Parking Revenues

As presented on Table 4-5, parking revenues increased from approximately $50.4 million in FY 2018 to approximately $76.1 million in FY 2022, reflecting a CAGR of approximately 10.9%. During the pandemic, the Authority elected to close certain parking facilities and has implemented several parking rate changes due to fluctuations in demand as well as inflation experienced during the recovery from the pandemic. **Table 4-6** presents public parking rate changes and lot closures at the Airport since the onset of the pandemic, as well as current parking rates. As shown, the Authority offers a variety of parking options to address the differing needs of its customer base. The Authority has been able to realize significant revenue gains resulting from rate increases and the differing products as demand has continued to increase. Four off-airport parking companies currently provide parking services to passengers.

Table 4-6 Historical Public Parking Rates at the Airport (Daily Maximum Rates)

Date/Time Period	Valet	Garages	Lot A	Lot B	Lot C	BNA Express
Pre-pandemic	$34	$24	$18	$12	$12	$12
April 21, 2020	$34	$16	Closed	Closed	Closed	Closed
June 18, 2020	$22	$16	$9	Closed	Closed	Closed
August 15, 2020	$16	$13	$10	Closed	Closed	Closed
November 16, 2020	$16	$13	$10	Closed	$10	Closed
April 12, 2021	$20	$16	$12	Closed	$12	Closed
June 2, 2021	$26	$20	$14	Closed	$14	Closed
June 25, 2021	$29	$22	$15	$15	$15	Closed
August 23, 2021	$33	$24	$15	$15	$15	Closed
February 1, 2022 - Current	$36	$26	$18	$16	$16	Closed [1]

Note: [1] The BNA Express Lot is currently being used for Valet overflow.
Source: Metropolitan Nashville Airport Authority

The Authority has a management contract for its parking operation and receives gross revenues as opposed to net revenues from a concession agreement. Parking revenues are budgeted to be approximately $76.4 million in FY 2023 and are forecast to increase based on growth in enplaned passengers and assumed periodic rate increases reflecting an inflation rate of 3%. Parking garage projects completed as part of BNA Vision provide new parking facilities at the Airport are anticipated to provide opportunities for additional parking revenues above the amounts forecast. For purposes of this Report, a 10% increase in parking revenues per enplaned passenger is assumed in FY 2024 to reflect the anticipated impacts related to the implementation of the Authority's Capital Program, resulting in forecast parking revenues of approximately $92.8 million in FY 2024. The parking management contract expires June 30, 2024, however, for purposes of this Report it is assumed that the Authority will either extend the existing agreement or will generate parking revenues in a similar manner as under the existing agreement.

As presented on Exhibit D, parking revenues are forecast to increase over the Forecast Period to $121.8 million in FY 2031, reflecting a CAGR of approximately 6.0% from FY 2023 through FY 2031.

4.14.1.2 Ground Transportation Concessions

Ground transportation concessions increased at a CAGR of over 26.6% during between FY 2018 and FY 2022. The increase in ground transportation concessions is, in part, attributable to the implementation of a drop-off fee, in addition to the existing $4.00 pick-up fee, paid per trip Transportation Network Companies (TNCs) such as Uber and Lyft. The passenger drop-off fee of $2.00 per trip became effective January 1, 2020, then increased to $3.00 per trip on January 1, 2021, and then increased to $4.00 per trip on January 1, 2022. TNC fees are able to be increased by the Authority pursuant to the contractual agreement with 30 days notice. The financial forecast herein assumes that demand for TNCs will remain level and that the existing ratio between TNC trips and enplaned passengers will be maintained. Ground transportation revenues are budgeted to be approximately $11.8 million in

FY 2023 and are forecast to increase based on growth in enplaned passengers. For the purposes of this Report, no fee increases to the existing $4.00 pick-up and $4.00 drop-off fees have been assumed.

As presented on Exhibit D, ground transportation revenues are forecast to increase over the Forecast Period to $18.4 million in FY 2031, reflecting a CAGR of approximately 5.7% from FY 2023 through FY 2031.

4.14.1.3 Rental Car Concessions

The Authority receives a concession fee annually from the rental car companies which is the greater of an amount equal to 11% of gross receipts for such year, or a MAG amount. The annual MAG equals the greater of an amount equal to 85% of the concession fee paid by the rental car company in the prior year, or the MAG amount for the first year of the concession agreements. Rental car concessions increased at a CAGR of 7.7% between FY 2018 and FY 2022, and had a smaller decrease related to the pandemic than parking or ground transportation revenues (10% decrease compared to 35% and 26.5% decreases for parking and ground transportation, relatively). The current rental car concessions agreement expires January 3, 2025; the financial forecast assumes the continuation of the existing agreement, or execution of a similar agreement, through the Forecast Period.

The financial forecast herein assumes that demand for rental cars will remain level and that the existing ratio between rental car transactions and enplaned passengers will be maintained. Rental car concession revenues are budgeted to be approximately $20.3 million in FY 2023 and are forecast to increase based on growth in enplaned passengers and inflationary growth in gross receipts. As presented on Exhibit D, rental car revenues are forecast to increase over the Forecast Period to $28.2 million in FY 2031, reflecting a CAGR of approximately 4.2% from FY 2023 through FY 2031.

4.14.2 Terminal Concessions

As shown on Table 4-5, Terminal concession revenues increased at a CAGR of approximately 7.0% from FY 2018 to FY 2022, from approximately $12.8 million to $16.7 million. Terminal concession revenues remained at MAG from FY 2018 through FY 2021 as Fraport USA continued to undertake the concessions redevelopment program described in Section 4.9 of this Report. The MAG was contractually adjusted downwards in FY 2020 and FY 2021 due to the pandemic. Terminal concession revenues are budgeted to be approximately $13.2 million in FY 2023 then forecast to increase with inflation, growth in enplaned passengers, and increased spend rate for new concession concepts. In FY 2024, terminal concessions revenues are forecast to increase from $13.2 million to approximately $21.4 million as the concessions redevelopment, as well as additional concession offerings to be provided in the satellite concourse pursuant to the agreement with Paradies described in section 4.9 above, are completed. In addition, the implementation of new Concourse A included in the Authority's Capital Program is assumed to result in a 10% increase in Terminal concession revenues per enplaned passenger in FY 2029. Over the Forecast Period, Terminal concession revenues are forecast to increase to approximately $30.6 million by FY 2031, reflecting a CAGR of approximately 11.1% from FY 2023 through FY 2031.

4.14.3 Other Buildings and Areas

Air cargo revenues; hangar, ground, and land rentals; fixed base operator rents; and other miscellaneous reimbursements and revenues, are budgeted to be approximately $16.0 million in FY 2023. These revenues are forecast to increase at a CAGR of approximately 3.0% between FY 2024 and FY 2031.

4.14.4 The Reliever Airport

Revenues at the Reliever Airport are forecast based on current leases. At approximately $1.7 million budgeted in FY 2023, these revenues are forecast to increase at a CAGR of approximately 3.0% through FY 2028.

4.14.5 Airfield

Airfield revenues are comprised of fuel flowage fees, which are budgeted at approximately $778,000 in FY 2023, and are forecast to increase at a CAGR of approximately 3.0% through FY 2031.

4.15 PFC Revenue

As described in Section 3.4.5 of this Report, PFC revenue is used to pay for certain FAA-approved, PFC-eligible projects, either by using certain PFC revenue to pay for approved project costs on a pay-as-you-go basis or by applying certain PFC revenue to pay Debt Service associated with Senior Bonds and Subordinate Bonds issued to fund PFC approved projects. Pursuant to the Senior Bond Resolution and the Subordinate Resolution, PFC revenues are excluded from the definition of Airport Revenues, and therefore, are not pledged to the payment of Debt Service unless otherwise designated as Airport Revenues pursuant a Supplemental Senior Bond Resolution, which has not occurred. However, the Authority, can, at its sole discretion, use excess PFCs to pay additional Debt Service on PFC-Eligible Bonds.

As of September 30, 2022, the Authority is authorized by the FAA to impose and use approximately $943.7 million of PFC revenues (at the $4.50 level) for various projects. Based on Final Agency Decisions, the FAA estimates the charge expiration date to be July 1, 2037. As of September 30, 2022, the Authority had collected approximately $500.7 million of its total approved collection authority, including interest earnings, and had spent approximately $371.2 million on approved projects. As of September 30, 2022, the Authority had an unliquidated balance of approximately $129.6 million of PFCs.

Exhibit E at the end of this Chapter presents the PFC revenue of the Authority from budgeted FY 2023 through forecast FY 2031. PFC revenues are driven by enplaned passengers at the Airport as presented on the exhibit. Based on historical trends, the forecast assumes that the Authority will collect PFC revenues from 85.0% of enplaned passengers at a net collection rate of $4.39, which is the $4.50 rate less an $0.11 administrative fee. In FY 2023, PFC revenue is estimated to be approximately $37.2 million. By FY 2031, the Authority is forecast to collect approximately $48.5 million of PFC revenue in that year. As shown in Exhibit E, PFC revenues are forecast to be sufficient to fund the PFCs assumed to be applied to Debt Service during the Forecast Period.

4.16 Airline Revenues

Airline revenues at the Airport are generated through Landing Fees, Terminal Rents, Terminal Ramp Area Rents, as well as Passenger Loading Bridge Fees and Baggage Fees. The rate-setting formulas for these charges are consistent with the rate-setting methodologies set forth in the Signatory Passenger Airline Agreements (described earlier in this Chapter) through the term of the Signatory Passenger Airline Agreements. Forecasts of airline revenues from FY 2024 through FY 2031 after the expiration of the Signatory Passenger Airline Agreements, using the rate-setting methodologies consistent with the MOU described in Section 4.9, are described below.

4.16.1 Landing Fees

Exhibit F at the end of this Report presents the calculation of forecast Landing Fees from FY 2024 through FY 2031. As described in Section 4.9.1, it is assumed that the landing fee will continue as a cost center residual calculation, modified by the business deal agreed to in principle by the Authority and the Signatory Airlines.

As presented in Exhibit F, the Signatory Landing Fee Rate per 1,000-pound unit of landed weight is forecast to be $4.01 in FY 2024. The Signatory Landing Fee rate is forecast to increase each year to $6.01 in FY 2031, primarily attributable to increases in Airfield O&M Expenses and debt service. Total Landing Fees are forecast to increase from approximately $29.1 million budgeted in FY 2023 to approximately $74.0 million in FY 2031.

4.16.2 Terminal Rents

Exhibit G at the end of this Report presents the calculation of forecast Terminal Rents from FY 2024 through FY 2031. As described in Section 4.9.1, for the purposes of this Report, Terminal Rents are forecast based on the terminal rental rate per square foot calculated on a commercial compensatory basis in accordance with the business deal agreed to in principle by the Authority and the Signatory Airlines. It is assumed that passenger airlines will be charged the calculated rate per square foot for Terminal space leased by the airlines.

Terminal rents for unimproved space are assumed to remain at $4.25 per square foot after the expiration of the Signatory Passenger Airline Agreements through the end of the Forecast Period.

Signatory Terminal Rents are forecast to increase from approximately $26.5 million budgeted in FY 2023 to approximately $47.0 million in FY 2024 under the commercial compensatory methodology, which allows for the recovery of Terminal Debt Service in the airline rates base, and then continue to increase over the Forecast Period to approximately $136.0 million by FY 2031 as additional Debt Service in the Terminal Cost Center becomes payable over the Forecast Period.

4.16.3 Terminal Ramp Area Rentals

Exhibit H at the end of this Report presents the calculation of forecast Terminal Rents from FY 2024 through FY 2031. For purposes of this Report, it is assumed that the Terminal Ramp Area rent will continue as a compensatory calculation, modified by the business deal agreed to in principle by the Authority and the Signatory Airlines as described in Section 4.9.1.

The Authority is forecast to continue to recover approximately 80% of direct and allocated indirect costs for airline use of the Terminal Ramp Area cost center throughout the Forecast Period. Signatory Airline Terminal Ramp Rentals are forecast to increase from approximately $3.1 million budgeted in FY 2023 to approximately $6.6 million by FY 2031.

4.16.4 Other Signatory Airline Fees

Costs of operating and maintaining Passenger Loading Bridges and Baggage Systems and Equipment are recovered through Passenger Loading Bridge Fees and Baggage Fees, respectively. This Report assumes a continuation of the existing rate-setting methodologies for these charges after the expiration of the Signatory Passenger Airline Agreements, modified by the business deal agreed to in principle by the Authority and the Signatory Airlines described in Section 4.9.1.

Passenger Loading Bridge Fees and Baggage Fees are budgeted to be approximately $2.2 million and $11.3 million, respectively, in FY 2023 and are forecast to increase throughout the forecast based on forecast increases in O&M Expenses and debt service.

The Authority also charges the air carriers for the use of Authority-controlled common use gates. Non-signatory airlines are charged per departing seat for the use of ticket counters, baggage make up, baggage claim, loading bridges, holdrooms, and terminal ramp. Signatory Airlines pay an equivalent charge for the use of Authority-controlled loading bridges, holdrooms, and terminal ramp. For purposes of this Report, it is assumed that the Authority will charge per use fees per departing seat as agreed to in principle by the Authority and the Signatory Airlines.

4.16.5 Airline Cost per Enplaned Passenger

A general test of reasonableness for airline costs at an airport is the average airline cost per enplaned passenger, or CPE. **Exhibit I** at the end of this Report presents the forecast of CPE for the airlines at the Airport. As shown, the airline CPE includes the Landing Fees, Terminal Rents, Passenger Loading Bridge Fees, Baggage Fees, Terminal Ramp Area rentals, and per use fees, offset by revenues shared with the Signatory Airlines, and divided by total enplaned passengers. Airline CPE is budgeted to be $6.74 in FY 2023 and is forecast to be $10.43 in FY 2024. Over the Forecast Period, airline CPE is expected to increase, attributable to the forecast growth in operating expenses and debt service becoming payable on the Series 2022 Senior Bonds and assumed future Senior Bonds, to a peak of $22.12 in FY 2030. Airline CPE throughout the Forecast Period appears within reasonable levels of affordability for the airlines and comparable to other major airports undergoing major capital programs.

4.16.6 Concession Revenue Share

Exhibit I also reflects the Concession Revenue Share, which, pursuant to the Signatory Passenger Airline Agreements, consists of an In-Terminal Concession Share, equal to 50% of in-terminal concessions. As shown in Exhibit I, revenue sharing is forecast to total approximately $6.6 million in FY 2023.

The Authority and the Signatory Airlines have agreed in principle to a revenue sharing methodology based on the weighting of three factors: Net Remaining Revenues, In-Terminal Concessions and a fixed share per enplanement. For purposes of this Report, revenue sharing is forecast to total approximately $10.5 million in FY 2024 and then to decrease each year to approximately $5.7 million in FY 2030, and then to increase to approximately $6.5 million in FY 2031.

4.17 Net Revenues and Debt Service Coverage

Exhibit J presents Net Revenues and Senior Debt Service coverage ratios for the Airport System throughout the Forecast Period. As presented, Net Revenues are forecast to increase each year from approximately $84.3 million budgeted in FY 2023 to approximately $279.5 million in FY 2031. Per the Senior Bond Resolution, the Authority may make balances in the NAE Fund available for Senior Debt Service coverage. For purposes of calculating the Senior Debt Service coverage, transfers from the NAE Fund (1) shall consist only of deposits made to the NAE Fund in a prior Fiscal Year and (2) shall not exceed 25% of Debt Service on all Senior Bonds Outstanding. Total amounts available to meet the Senior Debt Service coverage are forecast to increase from $88.3 million in FY 2023 to $326.2 million in FY 2031. Senior Debt Service coverage in FY 2023 was 5.47x including Other Available Funds, and 5.22x when excluding Other Available Funds. As the Authority issues Additional Senior Bonds to fund its capital projects, Senior Debt Service coverage is forecast to be 1.75x (with Other Available Funds) and 1.50x (without Other Available Funds) by FY 2031. Senior Debt Service coverage ratios with Other Available Funds are forecast to be 0.25x higher in each year than without Other Available Funds.

Exhibit J also presents Senior and Subordinate Debt Service coverage ratios for the throughout the Forecast Period. Per the Subordinate Resolution, the Authority may make balances in the NAE Fund available for Senior and Subordinate Debt Service coverage. For purposes of calculating the Senior and Subordinate Debt Service coverage, transfers from the NAE Fund (1) shall consist only of deposits made to the NAE Fund in a prior Fiscal Year and (2) shall not exceed 10% of Debt Service on all Senior Bonds and Subordinate Bonds Outstanding. Total amounts available to meet the Senior and Subordinate Debt Service coverage are forecast to increase from $88.7 million budgeted in FY 2023 to $301.0 million in FY 2031. As the Authority issues the Series 2022 Senior Bonds and Additional Senior Bonds to fund its capital projects, the Senior and Subordinate Debt Service coverage ratios are forecast to be 1.40x (with Other Available Funds) and 1.30x (without Other Available Funds) by FY 2031. Senior and Subordinate Debt Service coverage ratios calculated with Other Available Funds are forecast to be 0.10x higher than Net Revenue coverage in each year.

As required pursuant to the Senior Rate Covenant, (1) the Airport System is financially self-sufficient and self-sustaining; (2) rates, rentals, fees and charges imposed, prescribed and collected produce Airport Revenues at least sufficient (i) to pay the principal of, interest on and premium, if any, on the Senior Bonds Outstanding as and when the same become due (whether at maturity or upon required redemption prior to maturity or otherwise); (ii) to pay as and when the same become due all Operating Expenses, (iii) to pay as and when the same become due any and all other claims, charges or obligations payable from Airport Revenues, and (iv) to carry out all provisions and covenants of the Senior Bond Resolution; and (3) Airport Revenues after deducting Operating Expenses, which, together with other available funds, will at least equal 125% of Debt Service on all Senior Bonds Outstanding.

As required pursuant to the Subordinate Rate Covenant, (1) the Airport System is financially self-sufficient and self-sustaining; (2) rates, rentals, fees and charges imposed, prescribed and collected produce Airport Revenues at least sufficient (i) to pay the principal of, interest on and premium, if any, on the Senior Bonds and the Subordinate Bonds Outstanding as and when the same become due (whether at maturity or upon required redemption prior to maturity or otherwise); (ii) to pay as and when the same become due all Operating Expenses, (iii) to pay as and when the same become due any and all other claims, charges or obligations payable from Airport Revenues, and (iv) to carry out all provisions and covenants of the Subordinate Resolution; and (3) Net Revenues, which, together with other available funds, will at least equal 110% of Debt Service on all Senior Bonds and Subordinate Bonds Outstanding. **Table 4-7** presents forecast Net Revenues, Debt Service coverage ratios, and airline CPE throughout the Forecast Period.

Table 4-7 Debt Service Coverage Forecast and Passenger Airline CPE Forecast (Dollars in Thousands, Except For CPE)

Fiscal Year	Net Revenues	Senior Net Debt Service[1]	Senior Debt Service Coverage Ratio[2]	Subordinate Net Debt Service[1]	Senior and Subordinate Debt Service Coverage Ratio[2]	Airline CPE
2023	$84,312	$16,143	5.47x	$27,870	2.02x	$6.74
2024	$132,598	$21,249	6.49x	$25,357	2.95x	$10.43
2025	$149,178	$32,104	4.90x	$28,547	2.56x	$11.45
2026	$186,917	$65,868	3.09x	$28,583	2.08x	$14.39
2027	$190,824	$70,229	2.97x	$28,577	2.03x	$14.43
2028	$197,827	$74,599	2.90x	$28,575	2.02x	$14.89
2029	$248,391	$132,247	2.13x	$28,570	1.64x	$19.26
2030	$286,376	$187,738	1.78x	$28,580	1.42x	$22.12
2031	$279,491	$186,816	1.75x	$28,570	1.40x	$21.30

[1] Net of PFCs applied to Debt Service and capitalized interest.
[2] Includes amounts available for transfer from the Nashville Airports Experience Fund.
Source: Landrum & Brown

4.18 Application of Airport Revenues

Exhibit K presents the application of Airport Revenues for the Airport System throughout the Forecast Period. As presented, the Airport is expected to experience an annual net surplus (amount deposited into the NAE Fund) after the payment of Operating Expenses and Debt Service and required deposits to the Operations and Maintenance Reserve Fund and the Renewal and Replacement Fund in each year of the Forecast Period. The net surplus is forecast in FY 2023 to be approximately $33.9 million. Over the Forecast Period, the annual deposit to the NAE Fund is expected to range between $60.9 million and $91.7 million, based on forecast growth in revenues and expenses and the various timing of Debt Service becoming payable. Exhibit F also presents estimated days cash on hand using the forecast year-end balances of the NAE Fund, Operations and Maintenance Reserve Fund, the Renewal and Replacement Fund, and NAE Incentive Fund.

4.19 Sensitivity Analysis

As described in Section 4.9 above, while there is no indication, at this time, that the Authority and the Signatory Airlines will not reach agreement on new signatory passenger airline agreements, the Authority may unilaterally implement, without airline consent or written agreements, rate-setting methodologies that meet the requirements of the FAA's Policy Regarding the Establishment of Airport Rates and Charges ("Rates and Charges Policy") and other applicable requirements of federal law and federal grant assurances.

For the purposes of this sensitivity analysis, an alternative forecast of airline revenues from FY 2024 through FY 2031 was developed to meet the requirements of the Rates and Charges Policy and the Authority's other federal requirements. Such methodologies, if adopted by the Authority, could be challenged by the airlines serving the Airport and the Department of Transportation would determine whether the rate-setting methodologies complied with the Authority's federal obligations. Under this scenario, the Authority's obligations to bond holders set forth in the Senior Bond Resolution and the Subordinate Resolution, including the obligation to set rates and charges sufficient to meet the respective Rate Covenants, remain.

A summary of these airline rates and charges methodologies is as follows:

- Landing Fees are assumed to continue as a cost center residual calculation, generally the same as the current methodology with certain adjustments.
- Terminal Rental Rates are calculated using a commercial compensatory methodology, which differs from the current fixed rate methodology under the Signatory Passenger Airline Agreements.
- Terminal Ramp Area Rates are assumed to continue as a compensatory calculation, generally the same as the current methodology with certain adjustments.
- No revenue sharing is assumed beyond the expiration of the Signatory Passenger Airline Agreements.

Table 4-8 presents forecast Net Revenues, Debt Service coverage ratios, and airline cost per enplanement resulting from rates that would set pursuant to FAA's Rates and Charges Policy and set through a Rates Ordinance compared to the metrics resulting from the rate-setting methodologies contained in the MOU and assumed in this Report throughout the Forecast Period.

Table 4-8 Debt Service Coverage Forecast and Passenger Airline CPE Forecast (Dollars in Thousands, Except For CPE)

	BASELINE				SENSITIVITY			
Fiscal Year	Net Revenues	Senior Debt Service Coverage Ratio[1]	Senior and Subordinate Debt Service Coverage Ratio[1]	Airline CPE	Net Revenues	Senior Debt Service Coverage Ratio[1]	Senior and Subordinate Debt Service Coverage Ratio[1]	Airline CPE
2023	$84,312	5.47x	2.02x	$6.74	$84,312	5.47x	2.02x	$6.74
2024	$132,598	6.49x	2.95x	$10.43	$117,929	5.80x	2.63x	$9.17
2025	$149,178	4.90x	2.56x	$11.45	$133,888	4.42x	2.31x	$10.19
2026	$186,917	3.09x	2.08x	$14.39	$169,417	2.82x	1.89x	$12.97
2027	$190,824	2.97x	2.03x	$14.43	$178,691	2.79x	1.91x	$13.51
2028	$197,827	2.90x	2.02x	$14.89	$188,022	2.77x	1.92x	$14.17
2029	$248,391	2.13x	1.64x	$19.26	$238,521	2.05x	1.58x	$18.55
2030	$286,376	1.78x	1.42x	$22.12	$282,820	1.76x	1.41x	$21.93
2031	$279,491	1.75x	1.40x	$21.30	$286,268	1.78x	1.43x	$21.93

[1] Includes amounts available for transfer from the Nashville Airports Experience Fund.
Source: Landrum & Brown

Exhibit A

AUTHORITY CAPITAL PROGRAM - PLAN OF FINANCE **NASHVILLE INTERNATIONAL AIRPORT**

(dollars in millions)

(Fiscal Years Ending June 30)

Project	Federal and State	Existing Bond Proceeds	Series 2022 Bonds	Anticipated Future Bonds (2024)	Anticipated Future Bonds (2026)	CFC	Authority Funding	TOTAL
BNA Vision								
BNA Vision 1.0								
Terminal Projects - Lobby Expansion, Wings, IAB		$364.9	$102.5					$467.4
Concourse D Construction and Electrical Vault		284.8						284.8
Terminal Access Roadway Improvements - Phase 1		2.1	45.8					47.9
Terminal Garage 1 and Administration Building		170.7		$5.3				176.0
Terminal Garage 2	12.5	91.2				6.5		110.2
Terminal Garage 3		40.8	34.7	20.0				95.5
Terminal Ramp Paving (TATE)		20.4	19.9					40.3
Employee Parking Lot Improvements		7.3						7.3
Art Allowance, Contingency, and Other Soft Cofts		43.6	8.8		23.2			75.6
Subtotal - BNA Vision 1.0	$12.5	$1,025.8	$211.7	$25.3	$23.2	$6.5	$0.0	$1,305.0
BNA Vision 2.0								
Runway 2L-20R Extension - Prelim. Design, Property Acq./Env.		$14.9						$14.9
Concourse A Site Prep and Paving			$65.1					65.1
Satellite Concourse	$33.0		99.9					132.9
Contingency and Other Soft Costs			16.6					16.6
Subtotal - BNA Vision 2.0	$33.0	$14.9	$181.6	$0.0	$0.0	$0.0	$0.0	$229.5
Total BNA Vision	**$45.5**	**$1,040.7**	**$393.3**	**$25.3**	**$23.2**	**$6.5**	**$0.0**	**$1,534.5**
New Horizon								
Concourse D Extension			$75.7	$181.6				$257.3
Concourse A Expansion				227.6	$539.0			766.6
Terminal Access Roadway Improvements - Phases 2 & 3				48.2	115.3			163.5
Future Air Freight Building				16.3	6.9			23.2
Baggage Handling System Upgrades			22.2	18.6			$75.0	115.8
Art Allowance, Contingency, and Other Soft Cofts			29.3	61.8	45.0			136.1
Total New Horizon	**$0.0**	**$0.0**	**$127.2**	**$554.1**	**$706.2**	**$0.0**	**$75.0**	**$1,462.5**
CIP Projects								
Concourse Upgrades			$18.0					$18.0
Curbside Expansion				$36.0				36.0
Deicing Improvements	$17.9			25.5	$6.6			50.0
T6 Dual Taxilanes					20.0			20.0
T4 Dual Taxilanes				21.0	24.0			45.0
ARFF Station Annex				15.5	4.5			20.0
Other CIP Projects (FY 2023 - FY 2031) [1]							$169.4	169.4
Total CIP Projects	**$17.9**	**$0.0**	**$18.0**	**$98.0**	**$55.1**	**$0.0**	**$169.4**	**$358.4**
TOTAL AUTHORITY CAPITAL PROGRAM	**$63.4**	**$1,040.7**	**$538.5**	**$677.4**	**$784.5**	**$6.5**	**$244.4**	**$3,355.4**

Note: Amounts may not add due to rounding.

[1] Includes projects included in the Authority's 2023-2027 CIP plus other assumed expenditures from FY 2028 through FY 2031.

Source: Metropolitan Nashville Airport Authority, PFM Financial Advisors LLC

Exhibit B

NET DEBT SERVICE **NASHVILLE INTERNATIONAL AIRPORT**

(dollars in thousands)

(Fiscal Years Ending June 30)

	Budget	Forecast							
	2023	2024	2025	2026	2027	2028	2029	2030	2031
Senior Debt Service									
Outstanding Senior Bonds	$14,693	$14,692	$14,693	$14,699	$14,695	$14,697	$14,694	$14,693	$14,694
Proposed Series 2022 Bonds	2,533	12,297	24,032	47,138	47,135	47,135	47,136	47,127	47,131
Future Senior Bonds - Series 2024	0	0	4,544	20,658	23,978	26,919	56,602	69,926	69,918
Future Senior Bonds - Series 2026	0	0	0	0	2,103	4,380	33,314	76,459	76,463
Less: PFCs Applied to Debt Service	($689)	($5,992)	($11,669)	($17,284)	($18,339)	($19,188)	($20,069)	($20,965)	($21,887)
Senior Net Debt Service	$16,537	$20,997	$31,600	$65,211	$69,572	$73,944	$131,676	$187,241	$186,319
Senior Net Debt Service by Cost Center									
Airfield	$271	$1,518	$5,616	$8,277	$9,470	$12,720	$16,521	$17,556	$17,551
Terminal Building	2,004	3,252	6,159	35,487	35,418	36,532	87,704	139,667	139,676
Terminal Ramp	56	735	1,413	1,828	1,960	1,959	1,961	1,992	1,993
Passenger Loading Bridges	0	252	504	657	657	659	1,556	2,551	2,551
Baggage System	963	1,700	2,919	3,439	3,438	3,441	3,990	4,165	4,161
Other	12,849	13,793	15,493	16,180	19,286	19,288	20,515	21,807	20,885
Senior Net Debt Service	$16,143	$21,249	$32,104	$65,868	$70,229	$74,599	$132,247	$187,738	$186,816
Subordinate Debt Service									
Outstanding Subordinate Bonds	$27,870	$41,570	$55,239	$55,245	$55,243	$55,238	$55,233	$55,247	$55,232
Less: PFCs Applied to Debt Service	$0	($16,212)	($26,665)	($26,662)	($26,666)	($26,663)	($26,663)	($26,667)	($26,662)
Subordinate Net Debt Service	$27,870	$25,357	$28,574	$28,583	$28,577	$28,575	$28,570	$28,580	$28,570
Subordinate Net Debt Service by Cost Center									
Airfield	$1,302	$2,847	$3,546	$3,551	$3,548	$3,544	$5,050	$5,060	$5,051
Terminal Building	13,798	12,771	12,959	12,957	12,959	12,958	12,958	12,960	12,958
Terminal Ramp	0	879	1,093	1,092	1,091	1,090	1,093	1,090	1,092
Passenger Loading Bridges	0	0	0	0	0	0	0	0	0
Baggage System	0	0	0	0	0	0	0	0	0
Other	12,771	8,860	10,977	10,983	10,979	10,983	9,469	9,470	9,469
Subordinate Net Debt Service	$27,870	$25,357	$28,574	$28,583	$28,577	$28,575	$28,570	$28,580	$28,570

Note: Amounts may not add due to rounding.

Source: Metropolitan Nashville Airport Authority (Outstanding), PFM Financial Advisors LLC (Series 2022 and Future), Landrum & Brown, Inc. (PFCs applied to debt service)

Exhibit C

OPERATION AND MAINTENANCE EXPENSES **NASHVILLE INTERNATIONAL AIRPORT**

(dollars in thousands)
(Fiscal Years Ending June 30)

	Budget	Forecast								2023-2031
	2023	2024	2025	2026	2027	2028	2029	2030	2031	CAGR
By Category										
Purchased Services	$58,125	$70,148	$73,281	$76,212	$79,648	$83,275	$89,220	$92,789	$96,500	6.5%
Personnel	53,028	63,350	66,519	69,845	73,339	77,008	83,920	88,116	92,522	7.2%
Business Promotion	1,083	2,395	2,467	2,541	2,617	2,695	2,777	2,860	2,946	13.3%
Materials & Supplies	5,480	6,937	7,255	7,545	7,895	8,266	9,026	9,387	9,762	7.5%
Utilities	6,281	8,927	9,239	9,562	9,897	10,244	11,514	11,917	12,334	8.8%
Insurance	3,777	2,819	3,044	3,288	3,551	3,835	4,331	4,677	5,051	3.7%
Membership & Training	796	1,098	1,130	1,164	1,199	1,235	1,272	1,310	1,350	6.8%
Travel Expenses	224	1,772	1,825	1,880	1,936	1,994	2,054	2,115	2,179	32.9%
Other Operating Expenses	496	521	539	558	577	597	618	640	662	3.7%
Total Airport System O&M Expenses [1]	$129,291	$157,965	$165,299	$172,594	$180,659	$189,150	$204,731	$213,811	$223,306	7.1%
By Cost Center										
Airfield	$20,330	$24,057	$25,161	$26,339	$27,548	$28,813	$29,771	$31,171	$32,639	6.1%
Terminal	57,886	72,655	75,949	79,325	82,938	86,727	98,447	102,853	107,464	8.0%
Terminal Ramp	3,387	2,966	3,108	3,259	3,414	3,577	3,702	3,883	4,073	2.3%
Baggage System	3,515	3,691	4,207	4,376	4,989	5,687	5,915	6,152	6,399	7.8%
Passenger Loading Bridges	2,490	3,612	3,757	3,908	4,064	4,227	5,025	5,226	5,436	10.2%
Other (includes JWN, excludes MPC)	41,682	50,984	53,117	55,388	57,706	60,118	61,872	64,526	67,297	6.2%
Total Airport System O&M Expenses [1]	$129,291	$157,965	$165,299	$172,595	$180,659	$189,150	$204,731	$213,811	$223,306	7.1%
Annual Growth in O&M Expenses	30.4%	22.2%	4.6%	4.4%	4.7%	4.7%	8.2%	4.4%	4.4%	

Note: Amounts may not add due to rounding.

[1] Excludes expenses related to the MNAA Properties Corporation (MPC).

Source: Metropolitan Nashville Airport Authority (Budget); Landrum and Brown, Inc. (Forecast)

Exhibit D

NON-AIRLINE REVENUE — **NASHVILLE INTERNATIONAL AIRPORT**

(dollars in thousands)

(Fiscal Years Ending June 30)

	Budget	Forecast								2023-2031
	2023	2024	2025	2026	2027	2028	2029	2030	2031	CAGR
Non-Airline Revenue										
Airfield	$778	$860	$890	$916	$939	$958	$982	$1,006	$1,031	3.6%
Parking	76,391	92,799	97,496	101,928	106,055	109,751	113,625	117,636	121,788	6.0%
Ground Transportation	11,835	15,565	16,111	16,594	17,011	17,344	17,691	18,044	18,405	5.7%
Rental Cars	20,339	21,501	22,590	23,616	24,573	25,429	26,326	27,256	28,218	4.2%
In-Terminal Concessions	13,166	21,241	22,317	23,331	24,276	25,122	28,571	29,579	30,623	11.1%
Other Buildings and Areas	15,970	16,449	16,942	17,451	17,974	18,513	19,069	19,641	20,230	3.0%
Miscellaneous	5,649	6,764	6,973	7,182	7,391	7,599	7,813	8,034	8,260	4.9%
John C. Tune Airport	1,722	1,774	1,827	1,882	1,938	1,996	2,056	2,118	2,182	3.0%
Total Non-Airline Revenue [1]	$145,850	$176,952	$185,146	$192,900	$200,158	$206,711	$216,133	$223,314	$230,738	5.9%

Note: Amounts may not add due to rounding.

[1] Excludes revenues related to the MNAA Properties Corporation (MPC).

Source: Metropolitan Nashville Airport Authority (Budget); Landrum and Brown, Inc. (Forecast)

Exhibit E

PFC REVENUE **NASHVILLE INTERNATIONAL AIRPORT**

(dollars in thousands, except rates)

(Fiscal Years Ending June 30)

	Budget	Forecast							
	2023	2024	2025	2026	2027	2028	2029	2030	2031
PFC Collections									
Enplaned Passengers (000s)	9,600	10,602	10,974	11,303	11,587	11,814	12,050	12,291	12,537
% Enplaned Passengers paying PFCs	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%
PFC Enplaned Passengers	8,160	9,012	9,328	9,608	9,849	10,042	10,242	10,447	10,656
PFC Rate	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50	$4.50
Less: Admin. Fee	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11
Adjusted PFC Rate	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39	$4.39
PFC Collections	$35,822	$39,561	$40,949	$42,178	$43,237	$44,082	$44,964	$45,863	$46,780
PFC Interest Earnings	1,352	1,630	1,747	1,768	1,768	1,768	1,768	1,768	1,768
Total PFC Revenue	$37,175	$41,191	$42,696	$43,946	$45,005	$45,851	$46,732	$47,632	$48,549
PFCs Applied to Debt Service									
PFCs Applied to Senior Debt Service	$689	$5,992	$11,669	$17,284	$18,339	$19,188	$20,069	$20,965	$21,887
PFCs Applied to Subordinate Debt Service	0	16,212	26,665	26,662	26,666	26,663	26,663	26,667	26,662
Total PFCs Applied to Debt Service	$689	$22,204	$38,333	$43,946	$45,005	$45,851	$46,732	$47,632	$48,549

Note: Amounts may not add due to rounding.
Source: Metropolitan Nashville Airport Authority (Budget); Landrum and Brown, Inc. (Forecast)

Exhibit F

FORECAST LANDING FEE **NASHVILLE INTERNATIONAL AIRPORT**

(Fiscal Years Ending June 30)

	Forecast							
	2024	2025	2026	2027	2028	2029	2030	2031
Airfield Requirement								
Airfield O&M Expenses	$24,057	$25,161	$26,339	$27,548	$28,813	$29,771	$31,171	$32,639
Airline Facilities Investment - Airfield	14,800	17,853	18,825	18,825	18,825	18,825	18,825	18,825
Senior Lien Airfield Debt Service	1,518	5,616	8,277	9,470	12,720	16,521	17,556	17,551
Airfield Senior Lien Debt Service Rolling Coverage (25%)	379	1,025	665	298	812	950	259	(1)
Subordinate Lien Airfield Debt Service	2,847	3,546	3,551	3,548	3,544	5,050	5,060	5,051
Airfield Subordinate Lien Debt Service Rolling Coverage (10%)	285	70	0	(0)	(0)	151	1	(1)
Reliever Airport Deficit Contribution	500	515	530	546	563	580	597	615
O&M Reserve Fund	1,229	733	781	856	323	566	331	347
Renewal and Replacement Fund	190	190	191	191	0	0	0	0
Total Airfield Requirement	**$45,805**	**$54,709**	**$59,159**	**$61,283**	**$65,600**	**$72,414**	**$73,800**	**$75,026**
Less: Airfield Non-Airline Revenue	($860)	($890)	($916)	($939)	($958)	($982)	($1,006)	($1,031)
Less: Non-Signatory Landing Fees	(2,835)	(3,395)	(3,674)	(3,807)	(4,078)	(4,506)	(4,592)	(4,668)
Net Signatory Airfield Requirement	**$42,110**	**$50,424**	**$54,568**	**$56,536**	**$60,565**	**$66,926**	**$68,202**	**$69,327**
Landed Weight								
Signatory								
Cargo Carrier Landed Weight	258	264	268	272	276	278	281	284
Signatory Passenger Airline Landed Weight	10,231	10,447	10,635	10,795	10,922	11,031	11,141	11,253
Total Signatory Landed Weight	10,490	10,710	10,903	11,067	11,197	11,309	11,422	11,537
Non-Signatory Passenger Carrier Landed Weight	163	167	170	172	174	176	178	180
Non-Signatory Cargo Landed Weight	402	410	418	424	429	433	437	442
Landing Fee [1]								
Signatory landing fee rate (per 1,000 pound unit)	**$4.01**	**$4.71**	**$5.00**	**$5.11**	**$5.41**	**$5.92**	**$5.97**	**$6.01**
Non-Signatory Landing Fee Rate (per 1,000 pound unit)	**$5.02**	**$5.88**	**$6.26**	**$6.39**	**$6.76**	**$7.40**	**$7.46**	**$7.51**
Landing Fee Revenues	$44,946	$53,819	$58,243	$60,343	$64,643	$71,432	$72,794	$73,995

Note: Amounts may not add due to rounding.

[1] Landing Fee is budgeted to be $2.83 per 1,000 lbs of landed weight in FY 2023 as calculated pursuant to the methodology established under the existing AULA .

Source: Landrum and Brown, Inc.

Exhibit G

FORECAST TERMINAL RENTAL RATE AND REVENUE **NASHVILLE INTERNATIONAL AIRPORT**

(dollars in thousands, except rates)

(Fiscal Years Ending June 30)

		Forecast							
		2024	2025	2026	2027	2028	2029	2030	2031
Terminal Requirement									
Terminal O&M Expenses		$72,655	$75,949	$79,325	$82,938	$86,727	$98,447	$102,853	$107,464
Terminal Amortization		0	458	458	458	549	641	732	824
Senior Lien Terminal Debt Service		3,252	6,159	35,487	35,418	36,532	87,704	139,667	139,676
Terminal Senior Lien Debt Service Rolling Coverage (25%)		813	727	7,332	(17)	278	12,793	12,991	2
Subordinate Lien Terminal Debt Service		12,771	12,959	12,957	12,959	12,958	12,958	12,960	12,958
Terminal Subordinate Lien Debt Service Rolling Coverage (10%)		1,277	19	(0)	0	(0)	(0)	0	(0)
O&M Reserve Fund		3,712	2,214	2,351	2,576	973	1,873	1,092	1,142
Renewal and Replacement Fund		575	574	575	574	0	0	0	0
Terminal Requirement	[A]	$95,054	$99,059	$138,485	$134,906	$138,018	$214,415	$270,295	$262,065
Rentable Terminal Space (square feet)	[B]	584,326	595,153	590,914	590,914	590,914	790,011	790,011	790,011
Average Terminal Rental Rate (per square foot) [1]	[C=A/B]	$162.67	$166.44	$234.36	$228.30	$233.57	$271.41	$342.14	$331.72
Differentiated Signatory Rates (2.5% Sat. Concourse Discount):									
Signatory Terminal Building Rate (per square foot)		**$162.90**	**$166.75**	**$234.79**	**$228.73**	**$234.00**	**$271.77**	**$342.59**	**$332.16**
Signatory Satellite Concourse Rate (per square foot)		**$158.83**	**$162.58**	**$228.92**	**$223.01**	**$228.15**	**$264.97**	**$334.03**	**$323.86**
Terminal Rental Revenue									
Terminal Building airline leased space (excluding Joint Use)		271,987	273,084	268,845	268,845	268,845	388,211	388,211	388,211
Satellite Concourse airline leased space (excluding Joint Use)		16,240	21,653	21,653	21,653	21,653	21,653	21,653	21,653
Airline Terminal Rental Revenue		$46,886	$49,057	$68,080	$66,321	$67,851	$111,240	$140,231	$135,961
Unimproved Terminal Space									
Unimproved Space Rentals		$87	$87	$87	$87	$87	$87	$87	$87
Total Terminal Rental Revenue		$46,974	$49,144	$68,167	$66,408	$67,938	$111,328	$140,318	$136,049

Note: Amounts may not add due to rounding.

[1] Terminal Rental Rate is fixed at $116.55 per square foot in FY 2023 as established under the existing AULA .

Source: Landrum and Brown, Inc.

Exhibit H

FORECAST TERMINAL RAMP AREA RATE AND REVENUE | **NASHVILLE INTERNATIONAL AIRPORT**

(dollars in thousands, except rates)

(Fiscal Years Ending June 30)

		Forecast							
		2024	2025	2026	2027	2028	2029	2030	2031
Terminal Ramp Area Requirement									
Terminal Ramp Area O&M Expenses		$2,966	$3,108	$3,259	$3,414	$3,577	$3,702	$3,883	$4,073
Terminal Ramp Area Amortization		0	0	0	0	0	0	0	0
Senior Lien Terminal Ramp Area Debt Service		735	1,413	1,828	1,960	1,959	1,961	1,992	1,993
Terminal Ramp Area Senior Lien Debt Service Rolling Coverage (25%)		184	170	104	33	(0)	1	8	0
Subordinate Lien Terminal Ramp Area Debt Service		879	1,093	1,092	1,091	1,090	1,093	1,090	1,092
Terminal Ramp Area Subordinate Lien Debt Service Rolling Coverage (10%)		88	21	(0)	(0)	(0)	0	(0)	0
O&M Reserve Fund		152	91	97	106	40	70	41	43
Renewal and Replacement Fund		23	24	24	24	0	0	0	0
Terminal Ramp Area Requirement	[A]	$5,027	$5,919	$6,402	$6,628	$6,665	$6,828	$7,014	$7,201
Rentable Terminal Ramp Area (square feet)	[B]	1,604,973	1,604,973	1,604,973	1,604,973	1,604,973	2,089,493	2,089,493	2,089,493
Terminal Ramp Area Rate (per square foot) [1]	[C=A/B]	**$3.13**	**$3.69**	**$3.99**	**$4.13**	**$4.15**	**$3.27**	**$3.36**	**$3.45**
Terminal Ramp Area Revenue									
Airline Leased Terminal Ramp Area space (square feet)		1,456,364	1,456,364	1,453,560	1,453,560	1,453,560	1,907,798	1,907,798	1,907,798
Airline Terminal Ramp Area Revenue		$4,562	$5,371	$5,798	$6,003	$6,036	$6,234	$6,404	$6,575

Note: Amounts may not add due to rounding.

[1] Terminal Ramp Area Rate is budgeted to be $2.63 per square foot in FY 2023 as calculated pursuant to the methodology established under the existing AULA .

Source: Landrum and Brown, Inc.

Exhibit I

AIRLINE COST PER ENPLANEMENT **NASHVILLE INTERNATIONAL AIRPORT**

(dollars in thousands, except rates)
(Fiscal Years Ending June 30)

	Budget	Forecast							
	2023	2024	2025	2026	2027	2028	2029	2030	2031
Airline Cost per Enplanement									
Passenger Airline Landing Fee Revenue	$27,251	$41,894	$50,164	$54,287	$56,245	$60,253	$66,581	$67,851	$68,970
Terminal Rentals	26,621	46,974	49,144	68,167	66,408	67,938	111,328	140,318	136,049
Terminal Ramp Area Fees	3,142	4,562	5,371	5,798	6,003	6,036	6,234	6,404	6,575
Baggage System Fees	11,269	20,672	22,535	32,484	35,674	36,716	41,083	47,775	47,024
Passenger Loading Bridge Fees	2,212	3,757	4,049	4,300	4,416	4,469	6,300	7,379	7,345
Per Use Fees	759	3,150	4,209	6,645	6,628	7,628	7,002	7,907	7,589
Less: Revenue Sharing [1]	(6,583)	(10,450)	(9,796)	(9,026)	(8,147)	(7,165)	(6,389)	(5,703)	(6,517)
Total Passenger Airline Revenue (Net of Revenue Sharing)	$64,671	$110,558	$125,676	$162,656	$167,228	$175,876	$232,139	$271,930	$267,035
Enplaned Passengers	9,600	10,602	10,974	11,303	11,587	11,814	12,050	12,291	12,537
Airline Cost per Enplaned Passenger	$6.74	$10.43	$11.45	$14.39	$14.43	$14.89	$19.26	$22.12	$21.30
Airline Cost per Enplaned Passenger (2023 dollars) [2]	$6.74	$10.12	$10.79	$13.17	$12.82	$12.84	$16.13	$17.99	$16.81

Note: Amounts may not add due to rounding.

[1] Revenue Sharing in FY 2023 is equal to 50% of in-Terminal concessions pursuant to the methodology established under the existing AULA

[2] Assumes inflation rate of 3%.

Source: Metropolitan Nashville Airport Authority (Budget); Landrum and Brown, Inc. (Forecast)

Exhibit J

NET REVENUE AND DEBT SERVICE COVERAGE **NASHVILLE INTERNATIONAL AIRPORT**

(dollars in thousands, except rates)
(Fiscal Years Ending June 30)

		Budget	Forecast							
		2023	2024	2025	2026	2027	2028	2029	2030	2031
Revenues										
Signatory Passenger Airline Revenues (Net of Revenue Sharing)		$64,959	$107,797	$122,538	$158,916	$163,297	$171,204	$226,310	$266,090	$261,132
Non-Signatory Passenger Airline Revenues		1,837	2,761	3,138	3,740	3,931	4,672	5,829	5,840	5,903
Cargo Carrier Revenues		957	3,052	3,655	3,955	4,098	4,390	4,851	4,943	5,025
Non-Airline Operating Revenues		145,850	176,952	185,146	192,900	200,158	206,711	216,133	223,314	230,738
Total Revenues	[A]	$213,603	$290,563	$314,477	$359,512	$371,483	$386,977	$453,123	$500,187	$502,798
Less:										
O&M Expenses	[B]	$129,291	$157,965	$165,299	$172,594	$180,659	$189,150	$204,731	$213,811	$223,306
Net Revenue	[C=A-B]	$84,312	$132,598	$149,178	$186,917	$190,824	$197,827	$248,391	$286,376	$279,491
Plus: Other Available Funds for Senior Debt Service Coverage [1]	[D]	$4,036	$5,312	$8,026	$16,467	$17,557	$18,650	$33,062	$46,934	$46,704
Funds Available for Senior Debt Service Coverage	[E=C+D]	$88,348	$137,910	$157,204	$203,384	$208,381	$216,477	$281,453	$333,311	$326,195
Other Available Funds for Senior and Subordinate Debt Service Coverage [2]	[F]	$4,401	$4,661	$6,068	$9,445	$9,881	$10,317	$16,082	$21,632	$21,539
Funds Available for Senior and Subordinate Debt Service Coverage	[G=C+F]	$88,714	$137,259	$155,246	$196,362	$200,705	$208,144	$264,473	$308,008	$301,030
Senior Lien Debt Service (Net of PFCs)	[H]	$16,143	$21,249	$32,104	$65,868	$70,229	$74,599	$132,247	$187,738	$186,816
Subordinate Lien Debt Service (Net of PFCs)	[I]	27,870	25,357	28,574	28,583	28,577	28,575	28,570	28,580	28,570
Total Net Debt Service	[J=H+I]	$44,014	$46,606	$60,678	$94,450	$98,807	$103,174	$160,817	$216,318	$215,386
Senior Lien Debt Service Coverage (Net Revenue and Other Available Funds)	[K=E/H]	**5.47**	**6.49**	**4.90**	**3.09**	**2.97**	**2.90**	**2.13**	**1.78**	**1.75**
Senior Lien Debt Service Coverage (Net Revenue)	[L=C/H]	**5.22**	**6.24**	**4.65**	**2.84**	**2.72**	**2.65**	**1.88**	**1.53**	**1.50**
Senior and Subordinate Debt Service Coverage (Net Revenue and Other Available Funds)	[M=G/J]	**2.02**	**2.95**	**2.56**	**2.08**	**2.03**	**2.02**	**1.64**	**1.42**	**1.40**
Senior and Subordinate Debt Service Coverage (Net Revenue)	[N=C/J]	**1.92**	**2.85**	**2.46**	**1.98**	**1.93**	**1.92**	**1.54**	**1.32**	**1.30**

Note: Amounts may not add due to rounding.

[1] Equal to 25% of Senior Lien Net Debt Service available from the NAE Fund.

[2] Equal to 10% of Senior Lien Net Debt Service and 10% of Subordinate Lien Net Debt Service available from the NAE Fund.

Source: Metropolitan Nashville Airport Authority (Budget); Landrum and Brown, Inc. (Forecast)

Exhibit K

APPLICATION OF REVENUE **NASHVILLE INTERNATIONAL AIRPORT**

(dollars in thousands)

(Fiscal Years Ending June 30)

	Budget	Forecast							
	2023	2024	2025	2026	2027	2028	2029	2030	2031
Total Revenue	$213,603	$290,563	$314,477	$359,512	$371,483	$386,977	$453,123	$500,187	$502,798
Application of Revenue									
1 - Operating Fund for payment of Operating Expenses	$129,291	$157,965	$165,299	$172,594	$180,659	$189,150	$204,731	$213,811	$223,306
2 - Committee Fee Fund	0	0	0	0	0	0	0	0	0
3 - Airport Improvement Principal and Interest Fund									
Senior Debt Service (net of PFCs)	16,143	21,249	32,104	65,868	70,229	74,599	132,247	187,738	186,816
4 - Airport Improvement Bond Reserve Fund	0	0	0	0	0	0	0	0	0
5 - Support Facility Fund	0	0	0	0	0	0	0	0	0
6 - Subordinate Commitment Fee Fund	0	0	0	0	0	0	0	0	0
7- Subordinate Principal and Interest Fund									
Subordinate Debt Service (net of PFCs)	27,870	25,357	28,574	28,583	28,577	28,575	28,570	28,580	28,570
8 - Subordinate Bond Reserve Fund	0	0	0	0	0	0	0	0	0
9 - Subordinate Support Facility Fund	0	0	0	0	0	0	0	0	0
10 - Other Obligations (includes Note Purchase Agreement)	1,288	864	864	864	864	864	864	864	864
11 - Operations and Maintenance Reserve Fund	5,088	8,070	4,819	5,116	5,612	2,123	3,895	2,270	2,374
12 - Renewal and Replacement Fund	0	1,250	1,250	1,250	1,250	0	0	0	0
13 - Nashville Airports Experience (NAE) Fund	33,923	75,808	81,567	85,237	84,291	91,666	82,815	66,924	60,867
Total Application of Revenue	$213,603	$290,563	$314,477	$359,512	$371,483	$386,977	$453,123	$500,187	$502,798
Estimated Days Cash on Hand [1]	752	743	766	794	886	974	1,005	1,033	1,047

Note: Amounts may not add due to rounding.

[1] Estimated based on FY end Operations and Maintenance Reserve Fund, Renewal and Replacement Fund, and NAE Fund balances and annual operating expenses.

Source: Metropolitan Nashville Airport Authority (Budget); Landrum and Brown, Inc. (Forecast)

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APPENDIX B

ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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BNA Nashville International Airport®

ANNUAL COMPREHENSIVE FINANCIAL REPORT
JULY 1, 2021 - JUNE 30, 2022

A Component Unit of the Metropolitan Government of Nashville and Davidson County
Nashville, Tennessee

Metropolitan Nashville Airport Authority

A Component Unit of The Metropolitan Government of Nashville and Davidson County

Nashville, Tennessee

Annual Comprehensive Financial Report

For the Year Ended June 30, 2022

Prepared by:

The Finance Department

This section contains the following subsections:

October 19, 2022

To the Board of Commissioners of the Metropolitan Nashville Airport Authority,

The Annual Comprehensive Financial Report ("ACFR") of the Metropolitan Nashville Airport Authority ("the Authority" or "MNAA") as of and for the fiscal year ended June 30, 2022, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Authority. To the best of our knowledge and belief, this report fairly presents and fully discloses the Authority's financial position, results of operations, and cash flows in accordance with generally accepted accounting principles ("GAAP"). It includes disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities included within the ACFR. The report of the independent auditors on the financial statements is included on pages 1-3 of the ACFR.

The ACFR was prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). The GFOA awards Certificates of Achievement to those governments whose annual financial reports are judged to conform substantially to the high standards of public financial reporting, including GAAP promulgated by the Governmental Accounting Standards Board (GASB).

The management of the Authority is responsible for establishing and maintaining an internal control structure that is designed to ensure that the assets of the Authority are safeguarded. In addition, as a recipient of federal financial assistance, the Authority is responsible to make certain that an adequate internal control structure is in place to ensure compliance with general and specific laws and regulations related to the Airport Improvement Program and the Aviation Safety and Capacity Expansion Act.

The objectives of an internal control structure are to provide management with reasonable assurance that the resources are safeguarded against waste, loss and misuse, and reliable data are recorded, maintained and fairly disclosed in reports. The current internal controls provide the Authority with a solid base of reliable records from which the financial statements are prepared. These accounting controls ensure that accounting data are reliable and available to facilitate the preparation of financial statements on a timely basis. Inherent limitations should be recognized in considering the potential effectiveness of any system of internal control. The concept of reasonable assurance is based on the recognition that the cost of a system of internal control should not exceed the benefits derived and that the evaluation of those factors requires estimates and judgment by management.

The Authority's financial statements for the year ended June 30, 2022, have received an "unmodified opinion" from Plante & Moran, PLLC, the Authority's independent certified public accountants. An unmodified opinion is the best opinion that an organization can receive on its financial statements. It indicates that the auditor's examination has disclosed no conditions that cause them to believe that the financial statements are not fairly presented in all material respects.

An independent audit was also performed by Plante & Moran, PLLC, in accordance with the requirements of the Uniform Grant Guidance (2 CFR Part 200), i.e., Single Audit. The auditor's reports related specifically to the Single Audit are immediately following the ACFR in the Compliance Section.

A third audit was performed by Plante & Moran, PLLC, as required under Federal Aviation Regulation, Part 158 (Passenger Facility Charges). The auditor's reports related to the schedule of Passenger Facility Charges are immediately following the ACFR in the Compliance Section.

This ACFR was prepared to meet the needs of a broad spectrum of financial statements readers and is divided into the following sections:

Introductory Section – In addition to serving as a transmittal letter, this section provides the reader an introduction to the ACFR and the Authority. The introductory section includes background information on the reporting entity, its operations and services, accounting systems and budgetary controls, overview of the local economic conditions, its long-term financial planning and certain other pertinent information. It is complementary to financial and analytical data offered in the Management Discussion and Analysis (MD&A) and the Statistical Section of the ACFR discussed below. The information contained in this section is prepared by the Authority and is not part of the independent auditor's report.

Financial Section – The independent auditor's report, MD&A, financial statements, notes to the financial statements, required supplementary information, and other information are included here. These are the Authority's basic financial statements and provide an overview of the Authority's financial position. The MD&A immediately follows the independent auditor's report and complements this letter of transmittal and should be read in conjunction with it.

Statistical Section – The supplementary information presented in this section is designed to provide additional historical perspective, context, and detail to assist a reader to understand and assess the Authority's economic condition beyond what is provided in the financial statements and notes to the financial statements. The information contained in this section is prepared by the Authority and is not part of the independent auditor's report.

Continuing Disclosure Section – The continuing disclosure schedules reflect information in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission and as set forth in the Continuing Disclosure Undertaking for issued debt. The information contained in this section is prepared by the Authority and is not part of the independent auditor's report.

Compliance Section – This section presents schedules and footnotes prepared to meet the requirements of the U.S. Office of Management and Budget 2 CFR Part 200 as well as Federal Aviation Administration requirements applicable to the Passenger Facility Charge Program and in accordance with 14 CFR Part 158.

REPORTING ENTITY BACKGROUND

The Authority is a metropolitan airport authority created on February 9, 1970, pursuant to state statute and is an independent political subdivision of the State of Tennessee. The major purposes of the Authority are the operation, financing, and development of Nashville International Airport® ("BNA®") and John C. Tune Airport® ("JWN®"), a general aviation reliever airport.

The Authority also owns MNAA Properties Corporation ("MPC"), a Tennessee nonprofit corporation, whose purpose is to support and facilitate the operations of the Authority and to help the economic development of the surrounding area. The Authority has all the powers of a governmental entity necessary to accomplish its purpose, such as acquiring land and constructing airport facilities; issuing revenue bonds and other tax-exempt indebtedness; maintaining its own police and aircraft rescue and firefighting (ARFF); setting rates and charges for airlines; and setting rates for all activities on airport properties. Although the Authority has an independent governing body, based upon the criteria set forth by the Governmental Accounting Standards Board, it has been determined the Authority is a component unit of the Metropolitan Government of Nashville and Davidson County, Tennessee.

The Authority's Board of Commissioners consists of seven members who serve without compensation, all of whom are appointed by the Metropolitan Government Mayor and approved by the Metropolitan Government Council. Board members appointed before August 2021 serve a four-year term and can be reappointed. Board members appointed after August 2021 serve a seven-year term and can be reappointed. The terms are staggered to provide for continuity of Authority development and management. By state law, the commissioners represent different professional and management disciplines, including engineering, aviation, law, commerce, finance, and industry. The Board appoints the Authority's President and CEO, who is the chief executive and administrative officer responsible for day-to-day operations and planning for both airports and MPC. The President and CEO leads a full-time staff of professional and technical personnel, with a headcount of 319 positions for fiscal year 2022. Authority staff is actively engaged with many trade and community organizations, often receiving awards, and serving in leadership positions.

AUTHORITY OPERATIONS AND SERVICES

The Authority is self-supporting, using aircraft landing fees, fees from terminal and other rentals and revenue from parking, concessions, and various additional sources to fund operating expenses. The Authority is not taxpayer funded. The Capital Improvement Program is funded by bonds issued by the Authority, federal and state grants, passenger facility charges (PFCs) and other discretionary funds.

Airline Use and Lease Agreement

Leases. Revenues received from the airlines are derived from rentals, fees and charges imposed upon airlines operating at BNA under the MNAA Signatory Airline Use and Lease Agreement (the “Airline Agreement”). The following airlines are parties to such agreements: Alaska Airlines, Allegiant Air, American Airlines, Delta Air Lines, Frontier Airlines, Federal Express, JetBlue Airways, Southwest Airlines, Spirit Airlines and United Airlines (collectively the “Signatory Airlines”). The Airline Agreement was originally effective July 1, 2015 – June 30, 2022, and was extended through June 30, 2023.

Rates and Charges. The Airline Agreement establishes three cost centers for purpose of determining rates and charges payable by the Signatory Airlines and other users of Airport facilities: Airfield, Terminal, and Terminal Ramp Area. Baggage and passenger loading bridges fees are also assessed. The Airline Agreement has a “hybrid” airline rate-setting methodology with the Landing Fees being calculated on a residual basis, the Terminal Rental Rates being fixed rates specified in the Agreement that were initially derived based upon a compensatory basis using rental space in the calculation, and Terminal Ramp Area rates generally established through a compensatory methodology. Other than the Airfield, the Signatory Airlines are not required to provide for break-even financial operations of BNA under the Airline Agreement.

Majority-in-Interest Approvals Relating to Authority’s Capital Projects. The Signatory Airlines agreed in the Airline Agreement to a Majority-in-Interest (“MII”) approval process for each new capital improvement project (with a net cost exceeding $50,000) in the Airfield that the Authority seeks to fund through airline rates and charges. The Authority must obtain approval in writing from Signatory Airlines representing a MII after providing written notice to all Signatory Airlines containing: (a) a description of the project; (b) drawing showing its location, to the extent available; (c) estimates of its total capital costs; (d) an explanation of the benefits it will provide; (e) a schedule for its implementation; (f) a summary of how the project will be funded; and (g) an estimate of the impact the project will have on the Landing Fees or other airlines rates and charges to be paid by the Signatory Airlines. A capital improvement project in the Airfield shall only be deemed to be approved by a MII when Signatory Airlines representing a MII have provided their written approval of the capital improvement project. In the event of MII disapproval, the Authority may only proceed with the capital improvement project if it is not funded through rates and charges paid by the Signatory Airlines.

The Airline Industry

In calendar year 2020, a new strain of coronavirus (“COVID-19”) spread throughout the world. The outbreak of COVID-19 was characterized as a global pandemic by the World Health Organization. The pandemic and the resulting travel restrictions disrupted the aviation activity and passenger traffic for all Airlines around the world. In April 2020, the number of people traveling by plane hit a 10-year low with passenger counts down by about 92%. Aircraft operations in July 2021 exceeded its pre-pandemic levels for the first time with 1.3% more aircraft operations than July 2019. Since then, there have only been two months (January and February 2022) where aircraft operations dropped below pre-pandemic levels. In June 2022, aircraft operations were 7.3% higher than June 2019. For the entire fiscal year 2022, aircraft operations were 8.3% higher than in fiscal year 2019.

Airport Activity

In the spring of 2021, the COVID-19 vaccine became widely available, and BNA began to experience higher levels of traffic as tourism returned in full force. During fiscal year 2022, BNA experienced record levels of activity and ended the year with an increase in enplanements of 78.9%, an increase in landed weights of 40.3%, an increase in aircraft operations of 35.4%, and an increase in load factors of 34.0%.

	2022	2021	2020
Enplanements	9,217,710	5,151,658	6,858,395
% (decrease) increase	78.9	(24.9)	(20.2)
Aircraft landed weight (all–000)	11,043,361	7,869,238	8,995,415
% (decrease) increase	40.3	(12.5)	-9.6
Aircraft operations (all)	244,622	180,653	198,722
% (decrease) increase	35.4	(9.1)	-12.6
Load factors	78.9%	58.9%	68.3%
% (decrease) increase	34.0	(13.8)	(13.8)

In addition to the pandemic, on March 3, 2020, a tornado touched down in the Nashville area and continued its path across Middle Tennessee. JWN, located in west Nashville, sustained significant damage from the storm, including infrastructure damage to the terminal and other buildings (including 17 hangars), airfield, pavement, navigational aids, signage, lighting, fencing, utilities and more. Since then, JWN has begun a major transformation, including the completion of an air traffic control tower and a major redevelopment plan, which includes expanded ramp areas, a new access point, and new hangars. During fiscal year 2022 the reconstruction of 100 hangars was completed.

ACCOUNTING SYSTEM AND BUDGETARY CONTROLS

The Authority's Budget

Prior to the commencement of each fiscal year, the Authority prepares operating and capital budgets which are reviewed by various committees of the Board of Commissioners and legally adopted by the full Board of Commissioners.

The budget contains an estimate of current operational and capital expenses, including for the operation and development of Airports under the jurisdiction of the Authority and the amount necessary to pay the principal and interest of any outstanding bonds or other obligations of the Authority maturing during the ensuing fiscal year. The budget also contains an estimate of revenue of the Authority from all sources for the next fiscal year.

Budgeting serves as an important management tool to plan, control, and evaluate the operations and capital needs of the Authority. BNA, JWN, and MPC's operating budgets are the Authority's annual financial plan for operating and maintaining the airport and other properties. The operating expense and revenue budgets must be sufficient to cover the operating and maintenance expenses of the Airports and the debt service payable on bonds and other known financial requirements for the ensuing fiscal year. The Capital Improvement Program budget is the Authority's plan for the design and construction of major improvements and new facilities at the Airports and MPC with a five-year horizon. The Authority's basis of budgeting is in accordance with GAAP, which is the same as the Authority's accounting basis.

Budgetary control is required to ensure that expenditures do not exceed appropriations. The Authority maintains this control with an encumbrance system. As purchase orders are issued, corresponding amounts of appropriations are reserved with encumbrances to prevent overspending. Amendments to the budget are subject to approval by the Board in accordance with the terms outlined in the Board resolution adopted with the budget. The independent monitoring of the budget continues throughout the fiscal year for management control purposes. Each month, Finance reviews and analyzes all revenue and expense accounts to compare actual to prior year actual and to budget. The findings are reported to the Board in the monthly board packet.

AUTHORITY'S ECONOMIC CONDITION

Population and Air Trade Area

BNA resides in a region which the United States Office of Management and Budget (OMB) defines as the Nashville-Davidson-Murfreesboro-Franklin Metropolitan Statistical Area (MSA) and is composed of 14 counties of Cannon, Cheatham, Davidson, Dickson, Hickman, Macon, Maury, Robertson, Rutherford, Smith, Sumner, Trousdale, Williamson, and Wilson Counties. The Nashville-Davidson-Murfreesboro-Franklin MSA is the 36th most populated MSA in the United States with approximately 2.1 million people and serves as the airport "air service area".

BNA is the primary commercial air service facility serving the Nashville metropolitan area and is the largest airport in the state of Tennessee and the only large hub in the region. BNA serves as the primary commercial service airport for the air service area. This area is generally isolated from competing airport facilities and, hence, the Airport has limited competition of air service. Huntsville International Airport (HSV) is the closest airport, about 125 (driving) miles from the Airport. The next closest airport is Chattanooga Metropolitan Airport (CHA) which is about 145 (driving) miles away. Louisville International Airport (SDF) and Knoxville McGee Tyson Airport (TYS) are about 175 (driving) miles from the Airport. Paducah Barkley Regional Airport (PAH) is a non-hub airport about 150 (driving) miles from the Airport with only Essential Air Service. Memphis International Airport (MEM) is a small hub airport about 220 (driving) miles from the Airport. Other commercial service airports in the region are small facilities and the more comparable small hub airports are over 175 miles away. Other medium and large hub airports are over 250 miles from the Airport, with Hartfield-Jackson Atlanta International Airport (ATL) the nearest at approximately 255 (driving) miles.

In calendar year 2021, BNA ranked 27th nationwide in enplaned passengers with 7,594,049 enplanements, making BNA a large hub airport as classified by the FAA.

Economy

The Nashville population continues to grow, with more ability to work from anywhere, people from higher cost-of-living markets such as New York and Los Angeles are moving to Nashville, citing low property taxes and no state income taxes. In addition, companies such as Oracle, Facebook, and Amazon are expanding to Nashville in search of lower overhead and taxes and the talent produced by local universities.

Unemployment rates in the Nashville-Davidson-Murfreesboro-Franklin MSA have stabilized from the pandemic high of 10.20 percent, experienced in 2020, dropping to 3.4 percent as of July 2022.

The Nashville Chamber of Commerce predicted that the leisure and hospitality industries will return to normal levels by the summer of calendar year 2022. This prediction has come true, in the summer of 2022, the Airport set records for passengers, and the Nashville Convention and Visitors Corporation noted in their fiscal year 21-22 annual report that the Nashville hospitality industry was once again breaking performance records.

Nashville continues to receive high praise, receiving many honors and rankings within the travel industry. Nashville's culturally diverse and friendly environment made it a favorite place for conventioneers and tourists alike, as well as a great place to work, live and raise a family. A few of Nashville recent accolades are as follows:

Nashville's High Notes

http://www.visitmusiccity.com/accolades-honors

- **Nashville** was voted as "Best Up-and-Coming City" in **Hemispheres Readers' Choice Awards 2022**. *(September 2022)*
- **Nashville** ranked **#15** in **Travel + Leisure**'s **The 15 Best Cities in the United States**. *(July 2022)*
- **Robb Report** placed **Nashville** as **#5** in **Our 12 Favorite Cities to Visit in the U.S**. *(May 2022)*
- **Nashville** landed as **#4** for the **South's Best Cities Overall** on **Southern Living**'s **South's Best 2022**. *(March 2022)*
- **Nashville** ranked **#5** in **Best Destinations for City Lovers in the United States** by **Trip Advisor**. *(March 2022)*
- **Nashville** placed **#1** for **The Best Music Cities in the U.S.** (2022 Data) by **Clever**. *(February 2022)*
- **Nashville** is named one of the **Top 10 Friendliest Cities in the U.S.** by **Conde Nast Traveler**. *(February 2022)*
- **Nashville** is one of **Thrillist**'s **Great American Cities for Creative**. *(January 2022)*
- **Nashville** ranked multiple times in **Trip Advisor**'s **2022 Travelers Choice Awards**. *(January 2022)*
  - **#9** – **Best of the Best: Popular Destinations — United States**
  - **#7** – **Top Destinations for Food Lovers — United States**
  - **#5** – **Top Destinations for City Lovers — United States**

- **Nashville** is a **Top 10 Trending Travel Destination for January** according to **USA Today**. *(January 2022)*

- **Nashville** made **Travel Pulse**'s list of **Every State's Top Travel Destination for 2022**. *(January 2022)*

- **Nashville** made **Travel + Leisure**'s list of **The 18 Cheapest Places to Travel in 2022**. *(January 2022)*

Fiscal Year 2022 Awards & Recognitions

Doug Kreulen is the president and Chief Executive Officer (CEO) for the Metropolitan Nashville Airport Authority responsible for both Nashville International Airport (BNA) and John C. Tune Airport (JWN). An Accredited Airport Executive (A.A.E.), Kreulen is active in a variety of civic organizations. In 2022, several accolades were bestowed to BNA for its outstanding operations and leadership including: The 2022 Award of Excellence and Airport of the Year award by the Tennessee Aeronautics Commission; Kreulen received the Inaugural Veterans Leader Award by Charlie & Hazel Daniels Veterans and Military Family Center at Middle Tennessee State University and has been named one of Nashville Business Journal's Most Admired CEOs.

Throughout the fiscal year, BNA also received the following recognition and accolades:

- Named the first Better Cities for Pets Certified Airport® by Mars Petcare
- Presented with the following awards:
    - Parksmart Silver Certification awarded to Garage 1 for its sustainable design, construction, and operation
    - Earned the Award of Excellence and named the Airport of the Year by the Tennessee Aeronautics Commission
    - Selected as Inclusion Champion for Medium Hub Airports by Airports Council International-North America
    - Design-Build Institute of America named BNA’s Concourse D and Terminal Wings one of the nation’s “Best Design-Build Projects”
    - Nashville International Airport recognized with “Condé Nast Traveler’s” Readers’ Choice Award: “9th Best Airport in the U.S.”
    - Terminal Garage 1 and BNA’s Airport Administrative Building received the Prestigious Award of Excellence from Associated General Contractors of Tennessee
    - Named the 7th Best Airport in the US by Best Life Magazine
- Opened 49 new food, beverage, and retail concepts as a part of our reimagined concessions program
- Commemorated 85 years at BNA (June 12, 1937 – June 12, 2022) as the gateway to Music City

As fiscal year 2022 activity outpaced pre-pandemic highs recorded during fiscal year 2019, the Authority started to plan for life after COVID-19. The fiscal year 2023 budget included a nominal 5% increase in enplanements and landed weights. This conservative approach should enable the Authority to meet or exceed the budgeted performance in fiscal year 2022.

LONG-TERM FINANCIAL PLANNING

The Authority's long-term financial planning includes the completion of certain approved capital projects and the accumulation of sufficient resources required to service the debt issued to finance these projects, as well as to operate and maintain the Airports. Under the terms of the Airline Agreement, certain fees and charges paid by the Airlines are used along with other non-airline income from BNA to service the debt issued to finance the construction program.

Capital Improvement Program

The Authority maintains an ongoing Capital Improvement Program (CIP) to expand, modernize, and maintain BNA, JWN, and MPC. In addition to renovations and modernization of certain existing facilities, the CIP includes construction of the principal elements of the Master Plan for each Airport. The master plans establish the framework for the CIP that is necessary for the development of the Authority.

The capital program currently in process is *BNA Vision*, which is an extensive, multi-phased capital improvement program. *BNA Vision* is a major renovation and expansion project intended to enable BNA to meet future needs.

Specific elements of *BNA Vision 1.0* and 2.0 expected to total $1.5 billion – include the following:

<u>Terminal Garage 2</u>
A six-story structure to the south of the terminal with approximately 2,200 spaces. Terminal garage 2 opened in December 2018.

<u>Terminal Lobby Renovation and International Arrival Facility (IAF)</u>
The project will provide travelers an expanded and visually engaging central terminal as well as a state-of-the-art international arrivals facility that will replace the existing interim international arrivals facility. Completion of this project is slated for late 2023.

<u>Concourse D, Terminal Wings, Ticketing and Baggage Claim Expansion</u>
The project will revive and expand BNA's fourth concourse, Concourse D; and enlarge the existing ticketing lobby and baggage claim. The north and south terminal wing expansion, expanded baggage claim, and Concourse D are now open.

<u>Terminal Garage 1</u>
The project includes a six-level parking garage near the terminal, a new administrative office building and pedestrian plaza. The garage, administrative offices, and pedestrian plaza are now open.

<u>Donelson Pike Relocation and Terminal Access Roadway Improvements – Phase 1</u>
With traffic and airport utilization continuing to rise, the Donelson Pike Relocation and Terminal Access Roadway Improvements projects are vital to improving access and circulation around BNA. Completion of phase 1 of this project is scheduled for late 2023.

<u>Satellite Concourse</u>
The project will produce an eight-gate, free-standing satellite concourse near the main terminal and provide more gates to meet the increasing air travel demand in Middle Tennessee. The satellite concourse will be the airport's fifth major concourse. It is slated to open in late 2023.

Runway 2L/20R Extension – EA/Preliminary Design and Property Acquisition
The project will allow BNA to accommodate larger aircraft. This is imperative as BNA seeks to expand to more international markets in Asia and Europe.

Concourse A Site Preparation, Fill, and Ramp Paving
The project will prepare and area adjacent to the existing Concourse A to allow for future expansion.

In June 2022, The Authority announced a new capital initiative, New Horizon, which includes additional expansion projects to accommodate future demand beyond what was contemplated with BNA vision program was developed. The New Horizons design phase began in August 2022 with construction of Concourse D scheduled to begin in late 2023 with completing of all projects by late 2028. Specific elements of *BNA New Horizon* – expected to total approximately $1.5 billion – include the following:

Concourse A and D improvements
Concourse A and D will see extensions and improvements including additional gates, moving walkways, and additional concessions in both concourses. The Concourse D extension is anticipated to add 5 additional gates and to provide operational flexibility during the construction of a new Concourse A as the existing 6 gates on Concourse A will be demolished. New Concourse A is anticipated to add an additional 16 gates upon completion.

New air freight building
A new air freight facility will be constructed to better support airline cargo requirements.

Terminal roadway improvements
Phase 2 and 3 – capacity will increase and ease traffic flow into and out of the airport terminal and parking garages.

Baggage handling system improvements
Upgrades to the baggage handling system will sort bags by flight, speed security inspections, and deliver passenger luggage to and from the aircraft faster.

As a result of the rapid growth which the Airport has been experiencing, the Authority will continue to actively assess and manage its capital needs to determine any necessary modifications to the CIP as necessary to accommodate evolving priorities with respect to demand-driven traffic activity, operational needs of the Airport, and other factors. The Authority's CIP is subject to frequent review and modification based on expected funding priorities of the Airport System.

Airport Improvement Program

The Authority participates in the Airport Improvement Program (AIP), the Federal government's airport grant program. The AIP provides funding for airport development, airport planning and noise compatibility program from the Airport and Airway Trust Fund. The AIP also provides both entitlement and discretionary grant for eligible projects. The Authority also receives grants from the State of Tennessee.

Passenger Facility Charges

In 1990, Congress approved the Aviation Safety and Capacity Expansion Act, which authorizes domestic airport to impose a PFC on enplaning passengers. In May 1991, the FAA issued the regulations for the use and report of PFCs. PFCs may be used for projects which meet at least one of the following criteria: preserve or enhance safety, security, or capacity of the national air transportation system, reduce noise or mitigate noise impacts resulting from an airport, or furnish opportunities for enhanced competition between or among air carriers.

The FAA has approved twenty-three PFC applications and amendments submitted by the Authority. The Authority is currently authorized to impose and use a PFC of $4.50 per enplaned passenger up to $947 million, which includes amounts for the payment of principal, interest, and other financing costs on bonds for which the proceeds are used to pay PFC eligible costs on approved projects.

As of June 30, 2022, the Authority received approximately $462 million of PFC revenue, and interest earnings of approximately $29 million. The Authority expended approximately $371 million on approved projects. The current PFC expiration date is estimated at March 1, 2036.

OTHER INFORMATION

Awards and Achievement

The GFOA awarded the Authority's a "Certificate of Achievement" for Excellence in Financial Reporting for its ACFR for the year ended June 30, 2021. This was the twenty-first consecutive year that the Authority has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. The ACFR must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues for conform to the Certificate of Achievement program requirements and are submitting this 2022 ACFR to the GFOA for consideration.

Acknowledgements

The preparation of this report would not be possible without the cooperation of the Authority's Board of Commissioners and senior management and their desire to maintain the Authority as a model of excellence in the management of Nashville International Airport, John C. Tune Airport, and MNAA Properties Corporation, all in an effort to meet the air service needs to the surrounding communities.

Respectfully submitted,

Margaret Basrai, CPA, CGMA, C.M.
Executive Vice President and Chief Financial Officer

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Executive Vice President & Chief Operation Officer

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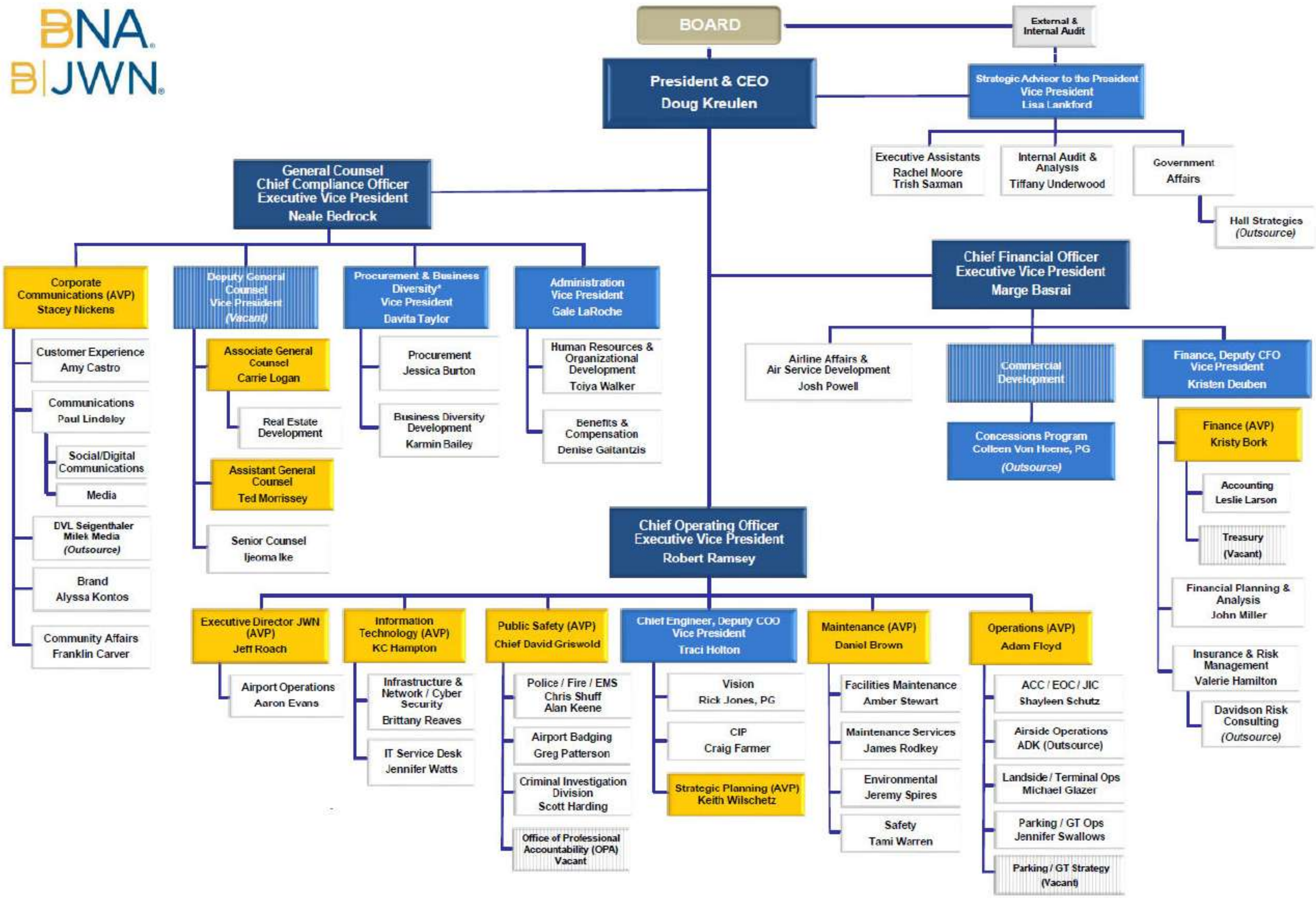
Theodore G. Morrissey
Assistant General Counsel

Stacey H. Nickens
AVP, Corporate Communications

Jeffery "Jeff" A. Roach
AVP, Executive Director, JWN

Keith B. Wilschetz
AVP, Strategic Planning

Metropolitan Nashville Airport Authority
Organizational Chart



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Metropolitan Nashville Airport Authority
Tennessee

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

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This section contains the following subsections:

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Independent Auditor's Report

To the Board of Commissioners
Metropolitan Nashville Airport Authority

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the aggregate remaining funds of the Metropolitan Nashville Airport Authority (the "Authority"), a component unit of the Metropolitan Government of Nashville and Davidson County, Tennessee, as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the aggregate remaining funds of the Authority as of June 30, 2022 and the changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 15 to the financial statements, during the year ended June 30, 2022, the Authority adopted the provisions of GASB Statement No. 87, *Leases*. This statement requires recognition of lease receivables and deferred inflows, as well as enhanced footnote disclosures, for leases that meet certain criteria based on the provisions of the contract. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplemental information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Board of Commissioners
Metropolitan Nashville Airport Authority

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplemental information, as identified in the table of contents; the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"); and the schedule of passenger facility charge revenues and expenditures required by the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration and the requirements in 14 CFR 158.63 (collectively, the "Guide") are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information, the schedule of expenditures of federal awards, and schedule of passenger facility charge revenues and expenditures are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory section, statistical section schedules, and annual disclosure report but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2022 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 19, 2022

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The following discussion and analysis provide an overview of the financial performance and activities of the Metropolitan Nashville Airport Authority (the "Authority") as of and for the year ended June 30, 2022. It has been prepared by the Authority's management and should be read in conjunction with the basic financial statements and notes thereto, which follow this section.

The Authority is a business-type entity and, as such, the basic financial statements consist of three statements and notes to the basic financial statements. The three basic statements are: (a) Statement of Net Position, which presents the assets, liabilities, deferred inflows and outflows of resources and net position of the Authority as of the end of the fiscal period; (b) Statement of Revenues, Expenses, and Changes in Net Position, which reflects revenues and expense recognized during the fiscal period; and (c) Statement of Cash Flows, which provides information on all the cash inflows and outflows for the Authority by major category during the fiscal period. The Authority includes Fiduciary Funds to account for other postemployment benefit and pension trust funds as well as unadjudicated custodial funds.

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB).

The financial statements include the operations of Nashville International Airport ("BNA"), John C. Tune Airport ("JWN") and MNAA Properties Corporation ("MPC").

The Airport Funding Methodology

Funding for BNA's operations is predicated upon the stipulations in the Authority's Signatory Airline Use and Lease Agreement (the "Airline Agreement") between the Authority and the airlines. When an airline signs an agreement, it is designated a "Signatory Airline". The agreements also determine the budget and financing methodology that the Authority and airlines agree to follow. Airport budget methodologies throughout the United States are usually characterized as either compensatory or residual, although some airports have a hybrid methodology, which combines both features.

The Authority operates under a hybrid methodology. Airport revenues are retained by the Authority to be applied in accordance with the provisions in the Senior Bond Resolution and the Subordinate Bond Resolution, to fund capital improvements, establish certain reserve funds, and provide funds for other discretionary purposes. Any excess net revenues remaining after making all required deposits to the funds and accounts established under the Senior Bond Resolution and the Subordinate Bond Resolution are accumulated in the Nashville Airport Experience (NAE) fund and may be applied to any lawful purpose of the Authority, including funding of capital improvements.

The Airline Agreement established three cost centers for purpose of determining rates and charges payable by the Signatory Airlines and other users of the airport facilities: airfield, terminal, and terminal ramp area. Baggage and passenger loading bridges fees are also assessed. The Airline Agreement has a "hybrid" airline rate-setting methodology with the landing fees being calculated on a residual basis, the terminal rental rates being fixed rates (initially derived based upon a compensatory basis), and terminal ramp area rates generally established through a compensatory methodology. Other than the Airfield, the Signatory Airlines are not required to provide for break-even financial operations of BNA under the Airline Agreement.

More detailed information on the Airline Agreement can be found in Note 9, included in the Notes to the Financial Statements.

Airport Activity Highlights

Nashville International Airport completed its recovery from the coronavirus (COVID-19) pandemic during fiscal year 2022 with a record-breaking 9.2 million enplanements, a 79% increase from the previous year's 5.2 million enplanements. The previous record was set in pre-pandemic fiscal year 2019 with 8.6 million enplanements. Nashville International Airport averages 261 daily airline departures to 97 nonstop destinations.

Nashville International Airport was pleased to welcome new airlines Avelo, Breeze, Cape Air, Swoop, and Flair, as well as new international routes to Montreal and Edmonton, and the return of the British Airways direct flight to London.

Construction on the Authority's extensive, multi-phased capital improvement program known as the *BNA Vision*, continued throughout fiscal year 2022. *BNA Vision* includes two components: *BNA Vision 1.0* and *BNA Vision 2.0. BNA Vision 1.0* is a major renovation and expansion program ($1.3 billion) intended to enable the airport to meet future needs. Projects include expanded parking, concourse and lobby areas, adding new gates, developing a state-of-the-art International Arrivals Building, an on-site hotel, and increasing federal security lanes, among other projects. *BNA Vision 2.0* is also underway and is expected to total $229.5 million. Projects include a free-standing satellite concourse, runway expansion and more. For additional details, please visit www.bnavisionnashville.com.

New Horizon is the newest construction phase and will include expansion of concourses A and D including additional gates, moving walkways, and new concessions; a new air freight building to better support airline cargo requirements; terminal roadway improvements to ease traffic flow into and out of the airport terminal and parking garages; and upgrades to the baggage handling system which will ultimately deliver passenger luggage to and from the aircraft faster. The *New Horizon* design phase began in August 2022, and all projects are expected to be complete in late 2028. The program is expected to cost and additional $1.5 billion.

BNA re-opened Runway 2R/20L for air traffic in August 2021, which had been closed for reconstruction for 14 months. The closure had no impact on the level of air travel service at BNA.

During fiscal year 2022, BNA opened 49 new food, beverage, and retail concepts in the terminal.

John C. Tune Airport celebrated the opening of its new Air Traffic Control Tower, which enhances its safety and operational efficiency. Later in the fiscal year and just over two years after sustaining significant tornado damage, JWN marked the completion of 100 new aircraft hangars as well as other restoration efforts.

The business development organization of the Authority, MPC, continued in 2022 with an occupancy level near 100%.

Statement of Net Position

The Statement of Net Position depicts the Authority's financial position as of June 30 and includes all assets, liabilities, deferred inflows and outflows of resources, and the resulting net position. Assets and liabilities are generally measured using current values. One exception is capital assets, which are stated at historical cost less an allowance for depreciation. The condensed summary of the Authority's financial position as of June 30, 2022 and 2021 is as follows:

	2022 (000s)	2021 (000s)
ASSETS		
Current unrestricted assets	$ 500,010	$ 362,397
Restricted assets	335,374	494,001
Capital assets, net	1,612,428	1,421,053
Other assets	104,593	30,727
Total assets	2,552,405	2,308,178
DEFERRED OUTFLOWS	10,636	2,648
LIABILITIES		
Current liabilities	$ 86,722	$ 59,447
Noncurrent liabilities	1,470,738	1,403,987
Total liabilities	1,557,460	1,463,434
DEFERRED INFLOWS	107,154	18,822
NET POSITION		
Net investment in capital assets	363,710	376,713
Restricted	342,088	315,174
Unrestricted	192,629	136,683
Total net position	$ 898,427	$ 828,570

Current unrestricted assets primarily consist of cash and investments, accounts receivable, lease receivable, and amounts due from other governmental agencies. Between 2021 and 2022, current unrestricted assets increased $137.6 million. This is attributed to an increase in unrestricted cash and investments ($122.0 million), the addition of $10.8 million in lease receivables, and an increase in accounts receivable ($3.3 million). The increase of $122.0 million in unrestricted cash and investments is primarily the result of net cash provided by operating activities of $112.7 million. The increase in accounts receivable of approximately $3.3 million is due to the increase in operations (i.e., landed weights, concessions, etc.) at the end of fiscal year 2022 as tourism rebounded from the effects of COVID-19. The addition of $10.8 million in lease revenue is due to the effects of implementing GASB Statement No. 87, *Leases*; see Note 15 for additional information.

Restricted assets consist of cash and investments and accounts receivable which are mainly restricted for debt service and bonded construction. Restricted assets decreased approximately $158.6 million between 2021 and 2022 due to spending airport revenue bond proceeds on *BNA Vision* capital projects.

Net capital assets have increased by $191.3 million in 2022 from 2021. The increase in 2022 is due to the ongoing construction of the terminal lobby, international arrivals building, satellite concourse, and terminal garage, which are scheduled to open in 2023. For more detailed capital asset information, see Note 4 in the Notes to the Financial Statements.

Other assets consist primarily of long-term accounts receivable, lease receivable, prepaid expenses and deposits, net other post-employment benefits (OPEB) assets and net pension assets. In fiscal year 2022, other assets increased by $73.9 million due to a combination of factors. In fiscal year 2022, a long-term lease receivable of $99 million was recorded due to the implementation of GASB Statement No. 87, *Leases* (see Note 15 for more information). The increase in lease receivable was offset by a $12.2 million decrease in the net OPEB asset, as well as the prior year's $13 million net pension asset presenting as a liability in 2022. The changes in net OPEB and pension assets were due to unfavorable market conditions affecting the value of investments.

Deferred outflows of resources represent the consumption of net position in one period that is applicable to future periods. They are reported separately from assets and consist of deferred amounts on debt refunding and deferred outflow related to pensions and OPEB.

Current liabilities consist mainly of accounts payable, payroll-related liabilities, accrued paid time off, and security/performance deposits. Current liabilities increased by $27.3 million during fiscal year, primarily due to an increase in accounts payable of $27.1 million. The increase in accounts payable is attributed to the increase in overall activity at the airport resulting in more payments to vendors, as well as construction activity related to the various *BNA Vision* projects such as the terminal lobby, international arrivals building, satellite concourse, and terminal garage.

Noncurrent liabilities consist primarily of long-term debt and the net pension liability. Long-term liabilities increased by approximately $66.8 million in 2022, due to an overall increase in long-term debt of $61.3 million, and the addition of a net pension liability of $5.6 million. Long-term debt increased due to new borrowings on the BNA Credit Facility, totaling $76 million, less principal repayments of $8.5 million, and bond premium amortization of $6.4 million. For more detailed long-term debt information, see Note 5 in the Notes to the Financial Statements. The net pension asset recorded in fiscal year 2021 became a net pension liability of $5.6 million in fiscal year 2022 due to unfavorable market conditions affecting the value of investments.

Deferred inflows of resources represent an acquisition of net position that is applicable to future periods. They are recorded separately from liabilities and consist of deferred inflows related to long-term leases.

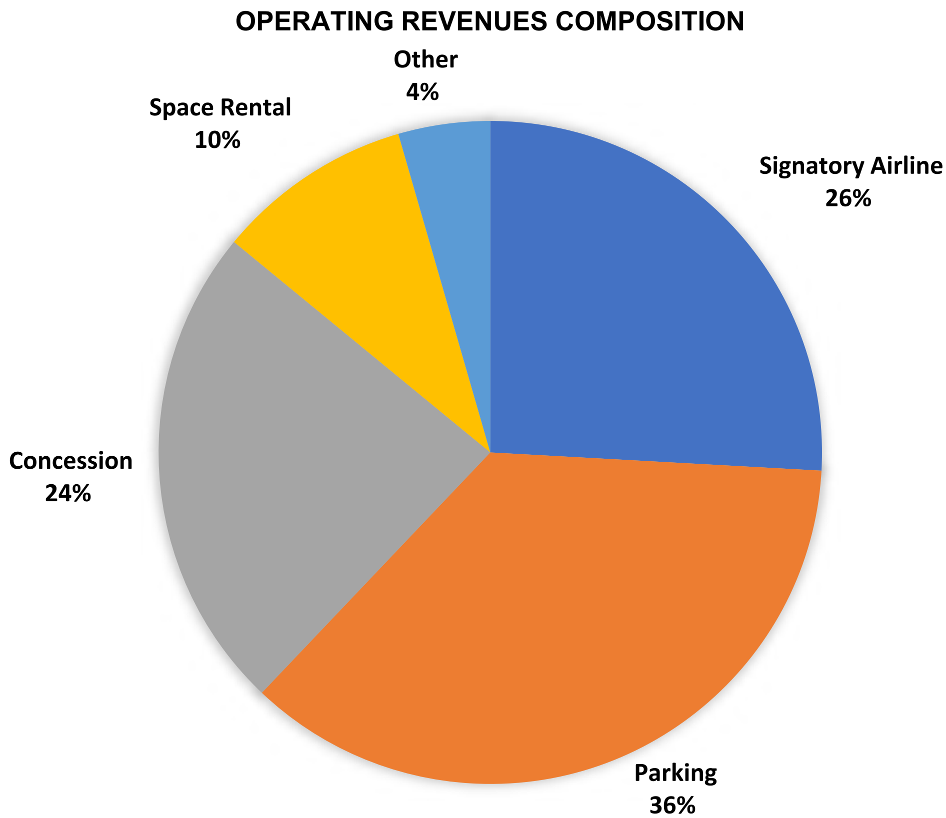
Summary of Operations and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents the operating results of the Authority, as well as the nonoperating revenue and expenses. Operating revenues include both airline and non-airline revenues and consist primarily of landing and related fees, terminal building rentals and fees, parking fees, concession fees, and car rental revenues. Nonoperating revenues consist primarily of passenger facility charges (PFC), federal and state grants, customer facility charges (CFC) and interest income. Interest expense is the most significant nonoperating expense. A summarized comparison of the Authority's revenues, expenses, and changes in net position for the years ended June 30, 2022 and 2021 follows:

	2022 (000s)	2021 (000s)
Operating revenues:		
Signatory airline	$ 54,396	$ 47,495
Parking	76,135	27,117
Concession	50,156	27,025
Space rental	20,142	15,470
Other	9,400	11,513
Operating revenues	210,229	128,620
Operating expenses:		
Salaries, wages, and fringe benefits	37,663	25,134
Contractual services	51,660	35,012
Materials and supplies	4,858	3,674
Utilities	7,002	5,762
Insurance	2,148	1,913
Other	9,634	3,040
Depreciation	79,274	53,384
Operating expenses	192,239	127,919
Operating income (loss)	17,990	701
Nonoperating revenues (expenses):		
Investment income	(4,756)	1,648
Passenger facility charges	35,678	20,253
Customer facility charges	12,939	8,365
Federal and state grants	26,494	31,482
Insurance reimbursement	1,851	5,099
Loss on disposal of property and equipment	67	(2,161)
Interest expense	(50,107)	(49,323)
Bond issuance costs	(62)	-
Other nonoperating, net	-	-
	22,104	15,363
Income before capital contributions	40,094	16,064
Capital contributions	29,763	31,357
Increase in net position	69,857	47,421
Total net position - beginning of year	828,570	781,149
Total net position - end of year	$ 898,427	$ 828,570

Operating Revenues

The chart below illustrates the sources of total operating revenue for the year ended June 30, 2022:



Operating revenues increased in fiscal year 2022 from 2021 by approximately $81.6 million.

Signatory airline revenue consists of ramp rent, terminal rent, baggage fees, landing fees; offset by in-terminal concession credit. Signatory airline revenue increased in 2022 from 2021 by $6.9 million as terminal rental rates, baggage fees were raised. The increase was offset by a reduction in landing fees. In accordance with the signatory use and lease agreement, the terminal rental rate for each signatory airline was $108.29 in 2021 and $111.00 in 2022. The landing fees decreased by $1.8 million due to a decrease in the landing fee from $2.23 in fiscal year 2021 to $2.04 in fiscal year 2022.

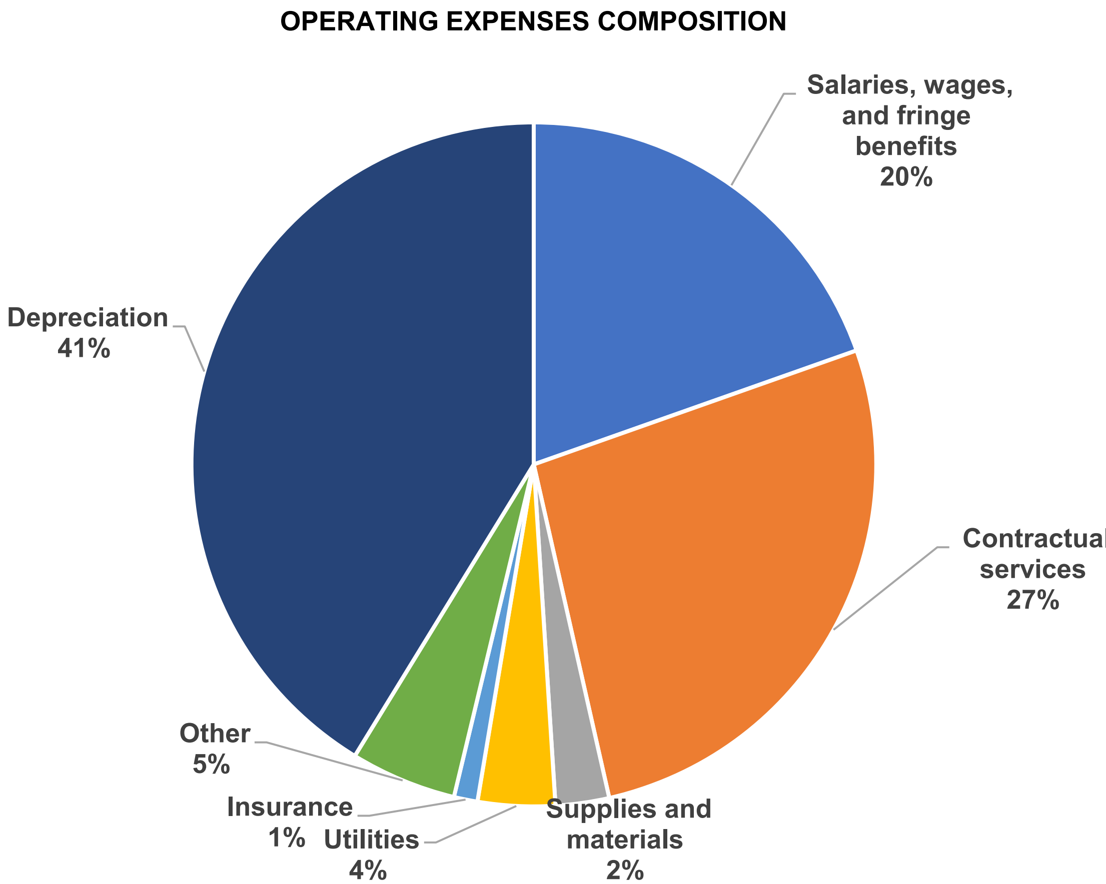
Parking revenue increased in 2022 from 2021 by approximately $49.0 million due to the large increase in passenger volume at BNA. Parking rates were also raised to keep up with the growing demand.

Concessions revenue, which consist of the food/beverage concessions, retail concession, rental car revenue and ground transportation (including Transportation Network Companies), increased from 2021 to 2022 by $23.1 million, due to the increase in passenger volume, as well as the addition of 49 new retail concepts. For 2022 as compared to 2021, in-terminal concessions increased by approximately $6.5 million, rental car revenues by $7.8 million, and ground transportation revenue by $6.8 million.

Space rental increased from 2021 to 2022 by $4.7 million. Other operating income such as non-signatory landing fees decreased by $2.1 million from 2021 to 2022.

Operating Expenses

The chart below illustrates the sources of total operating expenses for the year ended June 30, 2022:



Total operating expenses increased by $64.3 million from 2021 to 2022. Operating expenses in fiscal year 2021 were low due to the Authority's response to the COVID-19 pandemic. Cost cutting measures included closing all surface parking lots (which reduced parking lot fees and corresponding shuttle service expenses), reducing the number of security guard hours, freezing all open positions, eliminating all travel and training expenses, and eliminating raises and bonuses. In the final quarter of 2021, air travel increased, and the Authority saw signs of recovery. Increased passenger volume led to higher expenses. Salaries and benefits increased by $12.5 million, and contractual services by $16.6 million. Salaries increased as positions which had previously been frozen were re-opened, and the Authority was able to grant raises and bonuses as it had in prior years. Contract services increased as more staff was needed to manage the terminal and parking structures, and contractor wages increased as a result of post-pandemic labor shortages.

Nonoperating, Revenues, Expense and Contributed Capital

Nonoperating revenue increased by $6.7 million from fiscal year 2021 to fiscal year 2022. Passenger facility charges increased by $15.4 million, and customer facility charges increased by $4.6 million, both a direct result of more passengers traveling in fiscal year 2022. These increases were offset by decreases in insurance settlement income of $3.2 million, federal non-capital grant income of $5.0 million, and investment losses of $6.4 million. Insurance settlement income will vary depending on unforeseen incidents which happen during a given year; in fiscal year 2021, the Authority received a settlement of $3.7 million for the tornado which occurred at John C. Tune Airport in late fiscal year 2020. No settlements of that size were received in fiscal year 2022. Federal non-capital grant income decreased as the Authority drew $30.1 million in federal COVID-19 relief funds in fiscal year 2021, and $25.1 million was drawn in fiscal year 2022. Investment losses were recorded in fiscal year 2022 due to unfavorable market conditions.

Capital contributions decreased between 2021 to 2022 by $1.6 million due to completing the majority of the Runway 2R/20L and JWN Air Traffic Control Tower projects in fiscal year 2021, and offset by ramping up construction on the JWN Redevelopment project in fiscal year 2022. Capital contributions include funding from the FAA for AIP grants, and grants from the State of Tennessee.

Metropolitan Nashville Airport Authority
Statement of Net Position
June 30, 2022

ASSETS	
Current assets:	
Unrestricted assets:	
Cash, cash equivalents, and investments	$ 468,997,743
Accounts receivable (net of allowance for doubtful accounts of $185,186)	13,386,384
Lease receivable	10,841,469
Due from governmental agencies	5,036,705
Prepaid expenses and other	1,747,957
Total current unrestricted assets	500,010,258
Restricted assets:	
Cash and investments	334,637,897
Accounts receivable	736,388
Non-current assets:	
Capital assets:	
Capital assets not being depreciated	
Land and nondepreciable assets	108,112,921
Construction in progress	448,196,055
Capital assets being depreciated	
Buildings and building improvements	764,568,968
Equipment, furniture, and fixtures	393,141,964
Infrastructure	693,670,381
Total capital assets	2,407,690,289
Less accumulated depreciation	(795,262,079)
Total capital assets, net	1,612,428,210
Other assets	
Accounts receivable, net	1,110,000
Lease receivable	99,139,433
Prepaid and deposits	85,566
Net OPEB asset	4,257,108
Total noncurrent assets	2,052,394,602
Total assets	$ 2,552,404,860
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows from OPEB	$ 1,999,656
Deferred outflows from pension	6,473,537
Deferred amount on refunding	2,162,686
Total deferred outflows of resources	$ 10,635,879

See accompanying notes to basic financial statements.

LIABILITIES		
Current liabilities:		
Payable from unrestricted assets:		
Accounts payable	$	76,143,572
Accrued payroll and related items		6,065,683
Advanced billings and payments received in advance		3,922,813
Current maturities of notes payable		453,087
Accrued interest payable		136,710
Total current liabilities		86,721,865
Noncurrent liabilities:		
Payable from restricted assets:		
Accrued interest payable		27,404,329
Current maturities of airport revenue bonds		8,212,780
Notes payable, less current maturities		99,555,535
Net pension liability		5,633,292
Airport revenue bonds, less current maturities		1,329,931,889
Total noncurrent liabilities		1,470,737,825
Total liabilities	$	1,557,459,690
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows from leases	$	107,153,559
Total deferred inflows of resources	$	107,153,559
NET POSITION		
Net investment in capital assets	$	363,709,605
Restricted for:		
Capital projects		53,034,524
Debt service		241,070,683
Operations		40,886,755
Pension		840,245
OPEB		6,256,764
Unrestricted net position		192,628,914
Total net position	$	898,427,490

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Statement of Revenues, Expenses and Change in Net Position
Year Ended June 30, 2022

Operating revenues:	
Signatory airline	$ 54,395,946
Parking	76,135,079
Concession	50,155,481
Space rental	20,142,385
Other	9,399,973
Operating revenues	210,228,864
Operating expenses:	
Salaries, wages, and fringe benefits	37,663,363
Contractual services	51,659,702
Materials and supplies	4,857,819
Utilities	7,002,019
Insurance	2,148,338
Other	9,634,384
Depreciation	79,273,711
Operating expenses	192,239,336
Operating income	17,989,528
Nonoperating revenues (expenses):	
Investment loss	(4,756,436)
Passenger facility charges	35,678,032
Customer facility charges	12,939,489
Federal and state grants	26,493,859
Insurance reimbursement	1,851,584
Gain on disposal of property and equipment	67,615
Interest expense	(50,107,131)
Bond issuance costs	(61,588)
	22,105,424
Income before capital contributions	40,094,952
Capital contributions	29,762,836
Increase in net position	69,857,788
Total net position - beginning of year	828,569,702
Total net position - end of year	$ 898,427,490

See accompanying notes to basic financial statements.

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Metropolitan Nashville Airport Authority
Statement of Cash Flows
Year Ended June 30, 2022

Cash flows from operating activities:	
Cash received from customers	$ 204,207,029
Cash paid to employees	(34,194,529)
Cash paid to suppliers	(60,341,230)
Cash received for lease deposits	3,143,196
Cash reimbursed for lease deposits	(72,824)
Net cash provided by operating activities	112,741,642
Cash flows from noncapital financing activities:	
Grants from federal/state governments	26,363,092
Interest paid on long-term debt	(337,889)
Net insurance recoveries	1,468,371
Net cash provided by noncapital financing activities	27,493,574
Cash flows from capital and related financial activities:	
Receipt of passenger facility charges	36,182,360
Receipt of customer facility charges	12,848,302
Purchases and construction of property and equipment	(260,751,180)
Interest paid on long-term debt	(55,846,780)
Payments on long-term debt	(8,523,417)
Proceeds from issuance of long-term debt	75,954,829
Payment for bond issuance cost	(61,588)
Interest received from leases	2,205,271
Contributions from governmental agencies	27,730,052
Net insurance recoveries	383,214
Net cash used in capital and related financing activities	(169,878,937)
Cash flows from investing activities:	
Purchase of investments	(1,162,460,801)
Proceeds from the sale and maturities of investments	976,964,976
Realized losses on investments	(6,409,264)
Net cash used in investing activities	(191,905,089)
Net decrease in cash and cash equivalents	(221,548,810)
Cash and cash equivalents:	
Beginning of year	468,707,870
End of year	$ 247,159,060

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Statement of Cash Flows
Year Ended June 30, 2022

Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 17,989,528
Adjustments to reconcile operating income to net cash provided by operating activities:	
Provision for depreciation	79,273,711
Changes in operating assets and liabilities:	
Accounts receivable	(3,764,757)
Lease receivable and related deferred inflows of resources	(2,776,716)
Inventories	970,257
Prepaid expenses	(216,357)
Accounts payable	14,167,547
Accrued payroll and related items	(223,558)
Advanced billings and payments received in advance	559,223
Lease deposits	3,070,372
Net pension liability/asset and related deferred inflows/outflows of resources	10,824,811
Net OPEB liability/asset and related deferred inflows/outflows of resources	(7,132,419)
Net cash provided by operating activities	$ 112,741,642
Cash and investments - end of year consist of:	
Cash and cash equivalents	$ 247,159,060
Investments	556,476,580
	$ 803,635,640
Unrestricted cash and investments	$ 468,997,743
Restricted cash and investments	334,637,897
	$ 803,635,640
Noncash investing and financing activities:	
Deferred bond refundings	$ 355,510
Interest expense, net of bond premium amortization	6,350,912
Net noncash financing activities	$ 6,706,422

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Statement of Fiduciary Net Position
June 30, 2022

		Other Post-Employment and Pension Trust Funds
ASSETS		
Cash and cash equivalents	$	3,457,723
Investments, at fair value		
Pooled, common, and collective funds		59,556,334
Mutual funds		50,042,700
Total assets		113,056,757
NET POSITION		
Restricted for:		
OPEB		36,642,513
Pension		76,414,244
Total net position	$	113,056,757

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Statement of Fiduciary Net Position
June 30, 2022

		Unadjudicated Funds - Custodial Fund
ASSETS		
Cash and cash equivalents	$	1,244,669
Total assets		1,244,669
NET POSITION		
Restricted for:		
Unadjudicated funds		1,244,669
Total net position	$	1,244,669

See accompanying notes to basic financial statements.

	Other Post-Employment and Pension Trust Funds
Additions:	
Employer contributions	$ 250,000
Investment income	
Net depreciation in fair value	(17,830,505)
Interest and dividends	259,524
Investment expenses	(181,955)
Investment loss, net	(17,752,936)
Total additions	(17,502,936)
Deductions:	
Benefits paid to participants	6,180,156
Administrative expenses	85,711
Total deductions	6,265,867
Change in net position	(23,768,803)
Net position - beginning of year	136,825,560
Net position - end of year	$ 113,056,757

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2022

		Unadjudicated Funds - Custodial Fund
Additions:		
Collection of unadjudicated funds	$	712,738
Interest and dividends		93
Total additions		712,831
Deductions:		
Payout of unadjudicated funds		184,564
Total deductions		184,564
Change in net position		528,267
Net position - beginning of year		716,402
Net position - end of year	$	1,244,669

See accompanying notes to basic financial statements.

1. Metropolitan Nashville Airport Authority

The creation of the Metropolitan Nashville Airport Authority (the "Authority") was authorized by Public Chapter 174 of the Public Acts of the 86th General Assembly of the State of Tennessee, 1969 Session. The Metropolitan Council of the Metropolitan Government of Nashville and Davidson County, Tennessee ("Metropolitan Government") created the Authority to operate as a separate enterprise. The Authority owns and operates Nashville International Airport and John C. Tune Airport, a general aviation reliever airport. Based upon the criteria set forth by the Governmental Accounting Standards Board ("GASB"), it has been determined that the Authority is a component unit of the Metropolitan Government.

The Authority's Board of Commissioners consists of seven members who serve without compensation and are appointed by the Metropolitan Government Mayor and approved by the Metropolitan Government Council. There are provisions whereby commissioners may be removed by vote of the Metropolitan Government Council. Board members appointed before August 2021 serve a four-year term and can be reappointed. Board members appointed after August 2021 serve a seven-year term and can be reappointed. The terms are staggered to provide for continuity of Authority development and management. The Board of Commissioners appoints a President and charges him with the responsibility for day-to-day operations.

The Authority formed the MNAA Properties Corporation ("MPC"), a Tennessee non-profit corporation, for the purpose of supporting and facilitating the operations of the Authority and to help the economic development of the surrounding area. The Commissioners of the Authority constitute the Board of Directors of MPC. During fiscal year 2008, MPC Holdings, LLC, a limited liability company in which MPC is the sole member, purchased two separate multi-tenant buildings and commenced operation. Both facilities are on Nashville International Airport property. In July 2012, MPC Holdings, LLC purchased a small commercial building adjoining Nashville International Airport.

During November 2009, the Board of Commissioners approved the formation of a Tennessee nonprofit limited liability company, MPC CONRAC, LLC. This entity was created in connection with the special facilities financing for the Authority's consolidated rental car facility. MPC CONRAC, LLC is a single-member LLC, wholly owned by MPC. The formation of MPC CONRAC, LLC created an appropriate entity to execute various agreements and secure financing and services for the consolidated rental car ("CONRAC") facility, which was completed in November 2011, and is located at Nashville International Airport.

MPC, including its subsidiaries MPC Holdings, LLC and MPC CONRAC, LLC, is considered to be a blended component unit for financial reporting purposes based on the following: (i) the Authority's Board of Commissioners constitutes the Board of Directors of MPC; (ii) management of the Authority has operational responsibility for MPC; (iii) the Authority is financially accountable for MPC, including MPC's fiscal dependence on the Authority and MPC's potential to provide specific financial benefits or burden to the Authority; and (iv) MPC was created for the benefit of the Authority. The Authority does not issue separate financial statements for the blended component unit (see Note 17).

The accompanying financial statements also include the accounts of the Arts at the Airport Foundation, a nonprofit organization that facilitates the display and performance of artists within the Nashville International Airport terminal. The Arts at the Airport Foundation qualifies as a blended component unit of the Authority due to it being fiscally dependent on the Authority and due to the Authority's appointment of the voting majority of its governing board. The financial operations of the Arts at the Airport Foundation are generally immaterial to the Authority's financial statements and; thus, not shown separately in the financial statements.

<u>Fiduciary Activities</u>

As defined by the GASB, the Authority reports the operations of the pension and other post-employment benefits ("OPEB"), as blended component units in the Fiduciary Fund Financial Statements. The pension and OPEB trust funds provide retirement and health benefits for qualified Authority retired employees. The pension a OPEB trust funds are legally separate entities, and the resources of the trust funds cannot be used

1. Metropolitan Nashville Airport Authority (continued)

to finance the Authority's operations. The assets of the trust funds are held and administered in trust arrangements which are governed by a Retirement Committee (see Notes 12 and 13). The Authority is committed to making contributions to the trusts, and therefore assumes a financial burden for the trust funds and thus has financial accountability. As a result, the activity of the of the fiduciary funds is presented as a blended component unit. The assets in each trust are held for only for the Authority retirees' benefit.

The Authority also reports unadjudicated funds as fiduciary activity. The unadjudicated funds are comprised of cash that was seized from individuals suspected of committing a crime. These funds are deposited into a separate bank account in the Authority's name. The funds are held by the Authority until the court issues a verdict. Once a judgment is rendered, the funds are distributed to the individuals, agencies, and/or the Authority in accordance with the judgment.

2. Summary of Significant Accounting Policies

Measurement focus, basis of accounting, and basis of presentation

The financial statements of the Authority are presented using the economic resources measurement focus and the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when incurred. The financial statements include the operations of Nashville International Airport, John C. Tune Airport, and MPC, including MPC CONRAC, LLC, as noted earlier. The Authority's pension and other post-employment benefits trust funds are reported as component units in the Fiduciary Fund Financial Statements.

Use of estimates in the preparation of financial statements

The preparation of financial statements in conformity with U.S. GAAP requires management to make assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the useful lives of capital assets, the allowance for doubtful accounts, valuation of net pension and OPEB liabilities or assets and the related deferred inflows and/or outflows, valuation of certain leases receivable and related deferred inflows, and certain self-insured liabilities. Actual results could differ from those estimates.

Budgets

The Authority prepares an annual operating budget and capital improvement budget and submits for approval to the Board of Commissioners. A five-year capital improvement program, including modifications and reasons therefore, is also submitted each year.

The Authority is not required to demonstrate statutory compliance with its annual operating budget. Accordingly, budgetary data is not included in the basic financial statements. All budgets are prepared in accordance with bond covenants and airport lease and use agreements. Unexpended operating appropriations lapse at year-end.

Employer contributions to the pension and OPEB trust funds are recognized when the employer has made formal commitments to provide the contribution. The contributions for each year are based on an actuarial valuation performed as of the year prior to the year for which the contribution relates. The contribution amount for any given year incorporates (1) the current and projected funded status of the funds; (2) recent investment performance, and the advice of the investment consultant; and (3) anticipated changes to the Plans' demographics to the extent reflected in the actuarial assumptions used by the actuary in their most recent actuarial valuation or projections.

2. Summary of Significant Accounting Policies (continued)

Operating and nonoperating revenues and expenses

The Authority distinguishes operating revenues and operating expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the principal, ongoing operations such as space rental and fees, landing fees, parking and other miscellaneous income. Transactions that are capital, financing, or investing related are reported as nonoperating revenues. Such nonoperating revenues include, Passenger Facility Charges ("PFCs") as described in Note 6, Customer Facility Charges ("CFCs") as described in Note 7, and lease-related interest income as described in Note 15.

Expenses from employee wages and benefits, purchases of services, materials and supplies, and other miscellaneous expenses are reported as operating expenses. Interest expense and financing costs are reported as nonoperating expenses.

Revenues are reported net of discounts and allowances. Bad debts are expensed using the allowance method. Bad debt expense was $54,148 for the year ended June 30, 2022. The allowance for doubtful accounts was $185,186 at June 30, 2022.

The Authority's operating revenues are presented in five components as follows:

Signatory airline

Signatory Airline revenue consists of the revenues earned from the signatory airlines operating at Nashville International Airport primarily for terminal space rentals and landing fees. The Airline Agreements have a "hybrid" airline rate-setting methodology with the landing fees being calculated on a residual basis and the terminal rental rates and terminal ramp area rates being compensatory. Other than the airfield, the signatory airlines are not required to provide for break-even financial operation of the airport per the Airline Agreements (See Note 9).

Parking

Parking revenue is generated primarily from the operation of Authority-owned parking facilities at Nashville International Airport. This amount is presented net of 'frequent parker' and other incentive programs.

Concession

Concession revenue is generated through concessionaires and tenants who pay monthly fees for using airport facilities to offer their goods and services to the public. Payments to the Authority are based on negotiated agreements with concessionaires to remit amounts usually based either on a minimum guarantee or on a percentage of gross receipts.

Space rental

Space rental revenue includes non-signatory airline terminal space rental, car rental companies' space rental, and certain other income received from leases of Authority-owned property.

Other

Other revenue consists primarily of non-signatory airline landing fees, cargo airline landing fees, and the Authority's portion of fixed-based operators' fuel sales.

2. Summary of Significant Accounting Policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash on hand and short-term investments with original maturities of three months or less. Certain cash and cash equivalents are reported as noncurrent as these amounts are restricted to the withdrawal or use.

Investments

Investments are accounted for in accordance with GASB Statement No. 72, *Fair Value Measurement and Application,* which requires that certain investments be recorded at fair value (e.g., quoted market prices).

Amounts due from governmental agencies

The Authority has grants for aid in construction and equipment from the Federal Airport Improvement Program ("AIP") of the Federal Aviation Administration ("FAA"), the U.S. Department of Homeland Security ("DHS"), and the Tennessee Department of Transportation ("TDOT"). Amounts due from governmental agencies under the terms of grant agreements are accrued as the related reimbursable costs are incurred which is the point when the criteria for revenue recognition has been satisfied for these arrangements under GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Restricted assets and payables from restricted assets

Restricted assets consist of cash and cash equivalents, investments, and other resources which are restricted legally or by enabling legislation. The Authority's restricted assets are to be used for purposes specified in the respective bond indentures or other authoritative or legal documents as is the case with the collection of CFCs for the consolidated rental car facility or for purposes specified by the PFC program, as administered by the FAA.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as needed. A summary of the restricted assets at June 30, 2022 is as follows:

Debt Service:	
Cash and investments	$ 148,964,303
Accounts receivable	736,388
Total	149,700,691
Construction:	
Cash and investments	179,209,567
Total	179,209,567
Operations:	
Cash and investments	6,464,027
Total	6,464,027
Total restricted assets	$ 335,374,285

Routine maintenance and repairs are expensed as incurred. Provision for depreciation of property and equipment is made on a basis considered adequate to depreciate the cost of depreciable assets over their estimated useful lives and is computed on the straight-line method.

2. Summary of Significant Accounting Policies (continued)

Capital assets

Capital assets are stated at cost, except for contributions of property received from governmental agencies, which are recorded at estimated acquisition value at the time of contribution. The Authority's policy is to capitalize assets with a cost of $25,000 or more at Nashville International Airport and $10,000 at John C. Tune Airport and MPC.

Asset lives used in the calculation of depreciation are generally as follows:

Infrastructure	10 to 30 years
Buildings and building improvements	10 to 40 years
Equipment, furniture and fixtures	3 to 15 years

Postemployment benefits

Postemployment pension benefits are accounted for under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment to GASB Statement No. 27* ("GASB No. 68"), which establishes standards for the measurement, recognition, and display of pension expense and related liabilities, deferred inflows/outflows of resources, note disclosures, and required supplemental information. See additional information regarding the Authority's pension benefits in Note 12.

Postemployment benefits other than pension benefits are accounted for under GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions,* which establishes standards for the measurement, recognition, and display of postemployment benefits expense and related liabilities, assets, deferred inflows/outflows of resources, note disclosures, and required supplemental information. See additional information regarding the Authority's OPEB in Note 13.

Compensated absences

Compensated absences are accrued as payable when earned by employees and are cumulative from one fiscal year to the next. The compensated absences liability is reported with accrued payroll and related items in the accompanying statements of net position.

Self-insurance

The Authority is self-insured, up to certain limits, for employee group health insurance claims. The Authority has purchased reinsurance to limit its exposure. The cost of claims reported and an estimate of claims incurred but not reported are charged to operating expenses. Liabilities for unpaid claims are accrued based on management's estimate using historical experience and current trends and are included in accrued payroll and related items on the statements of net position. The appropriateness of the self-insurance accrued liabilities is continually reviewed and updated by management.

Deferred outflows/Inflows of resources

The statement of net position will report a separate section for deferred outflows of resources and/or deferred inflows of resources. *Deferred outflows of resources* represent a consumption of net position that applies to a future period and, therefore, not recognized as an outflow of resources (expense) until then. *Deferred inflows of resources* represent an acquisition of net position that applies to a future period and, therefore, not recognized as an inflow of resources (revenue) until then.

The Authority has several items that qualify for reporting as deferred outflows/inflows of resources. These items may include gains or losses on bond refundings; GASB No. 87 deferred inflow of resources related to leasing activities; GASB No. 68 deferred inflows and outflows from earnings on investments, changes in assumptions,

2. Summary of Significant Accounting Policies (continued)

changes in benefit terms, and other experience gains or losses related to the Authority's pension plan, and GASB No. 75 deferred inflows and outflows earnings on investments, changes in assumptions, changes in benefit terms, and other experience gains or losses relating to the Authority's OPEB plan.

A deferred loss on refunding results from the difference between the net carrying amount of the original debt and the reacquisition price, shown as a deferred outflow of resources in the accompanying statements of net position. This amount is deferred and amortized over the term of the new bonds or old bonds, whichever is shorter, using the effective interest method or the straight-line method, when not materially different.

GASB No. 87 establishes a deferred inflow, representing the present value of long-term lease payments expected to be received during a lease payment term, net of any prepayments received from lessees and lease incentives paid to lessees.

GASB No. 68 and GASB No. 75 variances can occur due to actuarial assumptions that differ between the actual plan experience and the original actuarial assumed rates. Differences can result from, among others, earnings on investments, changes in assumptions, changes in benefit terms, and other experience gains or losses. A variance represents a gain or a loss, shown as deferred inflows of resources or deferred outflows of resources, respectively, in the accompanying statements of net position. These deferred outflows/inflows are amortized in accordance with the provisions of GASB No. 68 and GASB No. 75. Additional items are determined annually based on each subsequent year's variances from actuarial assumptions.

Advanced billings and payments received in advance

Advanced billings and payments received in advance represents incremental amounts due to airlines under the signatory airline agreements (Note 9). Incremental amounts due from airlines are reflected in accounts receivable. Incremental amounts due to the airlines arise when amounts assessed, based on the estimated rates used during the year, exceed actual expenses for the year. Incremental amounts due from the airlines arise when amounts assessed, based on the estimated rates used during the year, are less than actual expenses for the year. Amounts due from or to airlines are typically settled in one to three months after period end and are therefore recorded as a current asset or liability.

Long-term leases

Regulated leases

The Authority leases certain assets to various third parties as regulated leases. These leases are for assets related directly and substantially to the movement of passengers, baggage, mail, and cargo at the airport. Regulated lease revenue is recorded as operating revenue as it is earned over the life of the regulated leases.

Non-regulated leases

The Authority leases certain assets to various third parties as non-regulated leases. As a lessor, the Authority is required to recognize a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources is equal to the lease receivable, less prepayments received from lessees, or lease incentives paid to lessees. As lease payments are received, the Authority recognizes interest revenue and a reduction to the lease receivable. The Authority also recognizes operating lease revenue calculated as the amortization of the deferred inflow of resources over the lease term.

Additional information regarding lease accounting is provided in Note 15.

2. Summary of Significant Accounting Policies (continued)

Components of net position

The Authority's net position classifications are defined as follows:

Net investment in capital assets

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, capital lease obligations or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted net position

This component of net position represents restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law or through constitutional provisions or enabling legislation.

Unrestricted net position

This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

Taxes

The Authority is exempt from payment of federal and state income, property, and certain other taxes.

Fair value measurements

Assets and liabilities recorded at fair value in the statements of net position are categorized based on the level of judgment associated with the inputs used to measure their fair value. Level inputs are as follows:

Level 1 - Values are unadjusted quoted prices for identical assets in active markets accessible at the measurement date.

Level 2 - Inputs include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.

Level 3 - Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Authority's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

Upcoming accounting pronouncements

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, to bring a uniform guidance on how to report public-private and public-public partnership arrangements. As a result, transferors in public-private or public-public arrangements will recognize receivables for installment payments, deferred inflows of resources, and, when applicable, capital assets. Operators will recognize liabilities for installment payments and intangible right-to-use assets, and when applicable, deferred outflows of resources and liabilities for assets being transferred. This statement also provides guidance for accounting and financial reporting for availability payment arrangements, in which a government compensates an operator for services such as designing, constructing, financing, maintaining, or

2. Summary of Significant Accounting Policies (continued)

operating an underlying asset for a period of time in an exchange of exchange-like transaction. The provisions of this statement are effective for the Authority's financial statements for the year ending June 30, 2023.

In April 2022, the GASB issued Statement No. 99, Omnibus 2022. This statement addresses eleven unrelated practice issues and technical matters related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in GASB Statement No. 34, as amended, terminology updates related to GASB Statement No. 53 and GASB Statement No. 63, leases, public-private and public-public partnerships, subscription-based IT arrangements, financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53. The standard has various effective dates. The Authority does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

In June 2022, the GASB issued Statement No. 100, Accounting Changes and Error Corrections, to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Further, the standard addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplemental information and supplemental information. The provisions of this statement are effective for the Authority's financial statements for the year ending June 30, 2024.

In June 2022, the GASB issued Statement No. 101, Compensated Absences, to update the recognition and measurement guidance for compensated absences by aligning the guidance under a unified model and by amending certain previously required disclosures. The provisions of this statement are effective for the Authority's financial statements for the year ending June 30, 2025.

3. Cash and Cash Equivalents and Investments

The Authority's deposit and investment policy is governed by the laws of the State of Tennessee and bond trust indentures and supplemental resolutions, which govern the investment of bond proceeds. Permissible investments generally include direct obligations of, or obligations guaranteed by, the U.S. Government, obligations issued or guaranteed by specific agencies of the U.S. Government, secured certificates of deposit, secured repurchase agreements, and specifically rated obligations of state governments, commercial paper, and money market funds.

Cash and cash equivalents

The Authority's unrestricted and restricted cash and cash equivalent bank balances totaled $317,863,585 on June 30, 2022.

Cash deposits, maintained at four financial institutions, are carried at cost plus interest, which approximates fair value. Cash deposits totaled $34,615,807 at June 30, 2022. Cash deposits are required by State statute to be secured and collateralized by such institutions.

The amount of collateral required to secure public deposits for Collateral Pool participants ranges between 90% and 115% of the average daily balance of public deposits held, depending on the participant's status and compliance with certain benchmarks established by the Collateral Pool. Collateral securities pledged by the participating banks are pledged to the State Treasurer on behalf of the Collateral Pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each individual account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency.

3. Cash and Cash Equivalents and Investments (continued)

Under this additional assessment agreement, public fund accounts covered by the pool are considered insured for purposes of credit risk disclosure in accordance with GASB Statement No. 40, Deposit, and Investment Risk Disclosures.

Cash equivalents are held at another financial institution and consist of money market and other short-term investments with original maturities of three months or less. Investment risk for such cash equivalent funds is governed by the Authority's investment policy.

Investments

Interest rate risk

The Authority's investment policy states that the investment portfolio may be allocated among U.S. Treasury Obligations (0 - 100%), Government National Mortgage Association Securities (0 – 40%), U.S. Government Guaranteed AID and GTC (0 – 10%), Federal Agency Instruments (0 - 75%, 40% per agency cap for FMNA, FHLMC, FHLB, FFCB and 10% cap for all other Government Sponsored Enterprises), Non-Negotiable Collateralized Bank Deposits or Savings Accounts (0 – 50%), Commercial Paper (0 - 35%, 10% cap per issuer), Repurchase Agreements (0 - 20%), Money Market Mutual Funds (0 - 50%, 25% per fund), Tennessee Local Government Investment Pool (0 - 50%), and Cash Equivalents (0 - 100%). In addition, the maximum maturity of investments is 270 days for commercial paper, one year for repurchase agreements, two years for certificates of deposit, time deposits and bankers' acceptances, no time restriction on money market mutual funds or Tennessee Local Government Investment Pool, and 4 years for all other permitted investments. No more than 50% of the portfolio can have a maturity date greater than two (2.0) years. To control the volatility of the portfolio and limit exposure to interest rate risk, the Authority's Chief Financial Officer ("CFO") determines a duration target for the portfolio, which typically does not exceed 3 years.

3. Cash and Cash Equivalents and Investments (continued)

On June 30, 2022, the average maturities of cash and investments subject to interest rate risk are as follows:

	Fair Value	Average Maturity
Primary Government:		
Investments subject to risk:		
U.S. agencies	$ 333,106,146	1.19 years
Commercial paper	113,528,682	5.6 months
Certificate of deposit	1,002,996	10 months
Investments subject to risk	447,637,824	
Deposits/investments not subject to risk:		
Investment pool	132,050,389	
Deposits	33,368,033	
Money market funds	190,579,394	
Deposits/investments not subject to risk	355,997,816	
Total Primary Government	$ 803,635,640	
Fiduciary Funds:		
Investments subject to risk:		
Pooled, common and collective funds	$ 2,180,451	5.98 years
Mutual funds	823,690	5.98 years
Investments subject to risk	3,004,141	
Deposits/investments not subject to risk:		
Deposits	1,247,774	
Money market funds	3,454,618	
Pooled, common and collective funds	57,375,883	
Mutual funds	49,219,010	
Deposits/investments not subject to risk	111,297,285	
Total Fiduciary Funds	$ 114,301,426	

3. Cash and Cash Equivalents and Investments (continued)

Credit risk

The investment policy specifies acceptable credit ratings by instrument type; however, the investment policy requires all investments must be ranked in the Highest Fund Quality or Rating for its individual investment category.

On June 30, 2022, the credit quality ratings of investments (other than the U.S. agency issues) are as follows:

Investment	Fair Value	Rating	Organization
Primary Government:			
Commercial Paper	$ 113,528,682	A1, P1	S&P, Moody
Fiduciary Funds:			
Pooled, common and collective funds	$ 12,514,899	AA	S&P, Moody, Fitch
Pooled, common and collective funds	12,496,082	A+	S&P, Moody, Fitch
Pooled, common and collective funds	12,644,757	AA	S&P, Moody, Fitch
Mutual funds	13,930,310	AA-	S&P, Moody, Fitch
Unrated investments	62,715,378		
Total Fiduciary Fund investments	$ 114,301,426		

Custodial credit risk

All investment securities purchased by the Authority are held in third-party safekeeping at a financial institution, acting solely as agent of the Authority and qualified to act in this capacity. To limit custodial credit risk, all trades of marketable securities are executed based on delivery versus payment and avoid the physical delivery of securities (bearer form) to ensure that securities are deposited with a custodian prior to the release of Authority funds. The Authority's investments on June 30,2022, are collateralized by securities held by the Authority's agent in the Authority's name.

Financial Instruments Reported at Fair Value

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Authority's assessment of the significance of inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The Authority has the following recurring fair value measurements as of June 30, 2022:

- U.S agency issues of $333,106,146 are valued using quoted market prices (Level 1 inputs).
- Mutual funds of $50,042,700 are valued using quoted market prices (Level 1 inputs).
- Money market funds of $190,579,394 are valued using quoted market prices (Level 1 inputs).
- Commercial paper of $113,528,682 are valued using quoted market prices and various market and industry inputs (Level 2 inputs).
- Pooled, common and collective funds of $59,556,334 are valued using quoted market prices and various market and industry inputs (Level 2 inputs).

3. Cash and Cash Equivalents and Investments (continued)

- Cash and cash equivalents include $3,454,618 of money market funds valued using quoted market prices and various market and industry inputs (Level 2 inputs).

A total of $132,050,389 is invested in the Tennessee Local Government Investment Pool on June 30, 2022, respectively. The amounts are recorded at amortized cost in accordance with GASB Statement No. 79 and are not included in the fair value disclosures above.

4. Capital Assets

Capital assets and related accumulated depreciation activity for year end June 30, 2022, were as follows:

	Balance July 1, 2021	Additions	Retirements	Transfers and Adjustments*	Balance June 30, 2022
Capital assets not being depreciated:					
Land & nondepreciable assets	$ 107,554,524	$ -	$ -	$ 558,397	$ 108,112,921
Construction in progress	301,079,238	269,721,982	-	(122,605,165)	448,196,055
Total capital assets not being depreciated	408,633,762	269,721,982		(122,046,768)	556,308,976
Capital assets being depreciated:					
Infrastructure	618,570,710	-	-	75,099,671	693,670,381
Buildings and building improvements	718,298,100	-	-	46,270,868	764,568,968
Equipment, furniture, and fixtures	393,243,815	956,391	(1,734,471)	676,229	393,141,964
Total capital assets being depreciated	1,730,112,625	956,391	(1,734,471)	122,046,768	1,851,381,313
Less accumulated depreciation:					
Infrastructure	(407,116,238)	(20,919,860)	-	-	(428,036,098)
Buildings and building improvements	(209,623,401)	(27,741,809)	-	-	(237,365,210)
Equipment, furniture and fixtures	(100,953,863)	(30,612,042)	1,705,134	-	(129,860,771)
Total accumulated depreciation	(717,693,502)	(79,273,711)	1,705,134	-	(795,262,079)
Net capital assets being depreciated	1,012,419,123	(78,317,320)	(29,337)	122,046,768	1,056,119,234
Net capital assets	$ 1,421,052,885	$ 191,404,662	$ (29,337)	$ -	$ 1,612,428,210

*Transfers and adjustments include reclassifications amongst fixed asset classes.

The amount of construction in progress at June 30, 2022 is attributable to the following:

Terminal Lobby IAF	$ 280,120,558
Terminal Garage B	50,728,583
Terminal Area Roadway Improvements (TARI)	29,666,882
Terminal and Taxilane Expansion	23,763,323
Satellite Concourse	18,751,771
Other Projects	45,164,938
Total construction in progress	$ 448,196,055

4. Capital Assets (continued)

During fiscal year 2022, $122,605,165 of construction in progress was substantially completed and transferred to capital assets as follows:

Reconstruct Runway 2R/20L	$ 58,070,536
JWN Hangar Redevelopment	32,468,638
Mobile Equipment Maintenance Building	11,046,044
Delta Sky Club	10,556,695
Other Projects	10,463,252
Total transferred to capital assets	$ 122,605,165

Uncompleted construction contracts

Estimated costs of completion of construction in progress at June 30, 2022 total $341,291,843 and relate to various projects that are committed under construction contracts. The estimated costs to complete construction progress are anticipated to be received from the following sources:

Reimbursed by government agencies and grant contracts	$ 5,105,000
Funded by the Authority	336,186,843
	$ 341,291,843

5. Long-term Debt

The following is a detail of long-term debt at June 30, 2022:

Airport Revenue Bonds - Direct Borrowing:	
Senior lien, CONRAC Series 2018, 3.40%, due 7/1/2028	$ 24,329,910
Total Direct Borrowing Airport Revenue Bonds	24,329,910
Airport Revenue Bonds - Other:	
Senior lien, Series 2003B, 5.49% to 5.94%, due 7/1/2033	11,405,000
Senior lien, Series 2015A, 4.00% to 5.00%, due 7/1/2045	84,745,000
Senior lien, Series 2015B, 4.00% to 5.00%, due 7/1/2045	100,085,000
Subordinate lien, Series 2019A, 4.00% to 5.00%, due 7/1/2054	254,435,000
Subordinate lien, Series 2019B, 4.00% to 5.00%, due 7/1/2054	665,150,000
Total Other Airport Revenue Bonds	1,115,820,000
Notes Payable - Direct Borrowing:	
Energy Loan Phase II	155,172
Geothermal Loan	2,890,300
Total Direct Borrowing Notes Payable	3,045,472
Other Long-term Debt - Other:	
BNA Credit Facility 2	96,963,150
Total Other Long-term Debt - Other	96,963,150
Total Authority bonds payable and other debt	1,240,158,532
Add:	
Unamortized bond premiums	197,994,759
Total Authority bonds payable and other debt, net	1,438,153,291
Less current portion	8,665,867
Total Authority bonds payable and other debt, noncurrent	$ 1,429,487,424

5. Long-term Debt (continued)

The annual requirements to pay principal and interest on the Authority's debt outstanding at June 30, 2022 are summarized as follows:

	Principal				
	Direct Placement Airport Revenue Bonds	Other Airport Revenue Bonds	Direct Placement Notes Payable	Other Long-term Debt	Total
2023	3,132,780	5,080,000	453,087	-	8,665,867
2024	3,240,774	5,320,000	303,474	96,963,150	105,827,398
2025	3,350,795	16,455,000	309,136	-	20,114,931
2026	3,468,000	17,270,000	314,904		21,052,904
2027	3,587,550	18,095,000	320,779		22,003,329
2028-2032	7,550,011	104,840,000	1,344,092	-	113,734,103
2033-2037	-	128,060,000	-	-	128,060,000
2038-2042	-	90,700,000	-	-	90,700,000
2043-2047	-	194,460,000	-	-	194,460,000
2048-2052	-	230,370,000	-	-	230,370,000
2053-2054	-	305,170,000	-	-	305,170,000
Total	$ 24,329,910	$ 1,115,820,000	$ 3,045,472	$ 96,963,150	$ 1,240,158,532

	Interest			
	Direct Placement Airport Revenue Bonds	Other Airport Revenue Bonds	Direct Placement Notes Payable	Total
2023	784,265	53,972,977	76,928	54,834,170
2024	674,395	53,674,434	67,850	54,416,679
2025	562,462	53,366,466	59,335	53,988,263
2026	443,220	52,612,216	50,661	53,106,097
2027	321,593	51,820,741	41,825	52,184,159
2028-2032	261,758	245,373,127	75,595	245,710,480
2033-2037	-	215,314,413	-	215,314,413
2038-2042	-	181,099,720	-	181,099,720
2043-2047	-	132,741,341	-	132,741,341
2048-2052	-	71,262,800	-	71,262,800
2053-2054	-	9,298,200	-	9,298,200
Total	$ 3,047,693	$ 1,120,536,435	$ 372,194	$ 1,123,956,322

5. Long-term Debt (continued)

The Revenue Bonds contain default provisions as defined in the agreements. In each case of default, unless cured by the Authority within 30 days after written notice, the trustee may declare all outstanding bonds and accrued interest immediately due and payable. Upon the event of default, the trustee may demand the Authority net revenues and all funds and accounts established under the General Resolution be transferred to and administered by the trustee. The trustee may exercise any of the following remedies to the extent they are legally available:

(i) the trustee may protect and enforce its rights and the rights of the holders of the bonds by suit or suits of equity.

(ii) the trustee may obtain the appointment of receiver, where the receiver may enter upon and take possession of the airport and fix rates and charges and collect all airport revenues. The receiver will collect and dispose of airport revenues in accordance with the terms and conditions of the General Resolution or as the court directs.

Net revenues (as defined in the various bond ordinances) of the Authority in the operation of the Airport System have been pledged toward the repayment of the Airport Revenue Bonds. Net revenues consist of operating revenues reduced by operating expenses, not including depreciation.

All Authority bonds were issued under the Airport Improvement Revenue Bond Resolution adopted by the Board of Commissioners of the Authority on August 15, 1991, (as amended and supplemented, the "General Resolution") and a nineteenth Supplemental Resolution adopted by the Board on October 21, 2015. In 2019, the Board approved the 2019 Master Subordinate Resolution and the First Supplemental Resolution. Bonds issued under the First Supplemental Resolution payable from net revenues are subordinate to bonds issued under the General Resolution. The Authority anticipates using PFC funds for approximately $4,400,000, and $8,400,000 of the Series 2015A and Series 2015B bonds, respectively (Note 6). A portion of the Series 2019A and 2015B bonds are also eligible to be reimbursed with PFC funds. Although the CONRAC Series 2010 and 2018 Bonds were issued under the General Resolution, the CFCs are not in and of themselves a part of airport revenues or net revenues as defined in the General Resolution. Therefore, airport revenues derived by the Authority from the operation of the Airport are not pledged for payment of and do not constitute security for the CONRAC Series 2010 and 2018 Bonds. All other bonds are secured by a pledge of and lien on net revenues derived by the Authority from the operation of the airports.

Operating revenues (as defined in the various bond ordinances) of the Authority in the operation of the Airport System have been pledged toward the repayment of the Airport Revenue Bonds. For the year ended June 30, 2022, operating revenues were $210,228,864, compared to the net debt service (principal and interest) for senior and subordinate revenue bonds of $62,931,561. In addition, a portion of the Airport Revenue Bonds has been approved by the FAA to be funded by Passenger Facility Charges. For the year ended June 30, 2022, the PFC revenues were $35,678,032, compared to the net debt service (principal and interest) of $688,478.

5. Long-term Debt (continued)

Direct Placement Debt:

Special facility revenue bond (MPC CONRAC LLC Project) Refunding Series 2018 bonds

During May 2018, the Authority issued CONRAC Refunding Series 2018 bonds in the principal amount of $27,358,295. The bonds, together with $23,334,428 available Customer Facility Charge ("CFC") revenues were placed in an irrevocable trust to advance refund the Series 2010 Bonds maturing in the years 2021 through 2029 and pay the costs of issuance of the bond of $150,858. Accordingly, the trust account assets and the liability on the defeased bonds are not included in the Authority's financial statements. At June 30, 2022, $39,140,000 of defeased bonds remain outstanding. The difference between the reacquisition price and the net carrying amount of the refunded debt was $3,614,352. This difference is reported as a deferred outflow of resources and is being amortized through fiscal year 2029. The refunding resulted in an economic gain of approximately $6,400,000.

The CONRAC Refunding Series 2018 bonds are payable from and secured by a pledge of certain rental payments derived from CFCs under leases with rental car agencies (Note 7). The remaining CONRAC Refunding Series 2018 bonds contain serial bonds at an interest rate of 3.4%, maturing in progressive annual amounts ranging from $3,132,780 on July 1, 2022, to $3,838,790 on July 1, 2028.

Energy savings performance contract

The Authority has entered into an energy savings performance contract with an energy service company (ESCO) that conducted a comprehensive energy audit and identified improvements to save energy. The ESCO worked with the Authority to design and construct the approved projects, as well as to assist it with project financing. The ESCO guarantees that the improvements will generate energy cost savings sufficient to pay for the project over the term of the contract. After the contract ends, the Authority continues to benefit with additional energy cost savings as a result of the contract.

The Authority agreed to an energy saving project known as "Comprehensive Energy and Operational Services", Phases I and II. The project primarily included lighting retrofits and replacement of a chiller, but also a conceptual design for a quarry geothermal system.

In December 2012, the Authority entered into another financing agreement in the amount of $2,777,500 with a financial institution for phase II of the energy enhancement project. The annual interest rate is 1.85%. Principal and interest payments are due in progressive monthly installments between $23,700 and $31,178 from January 2014 through November 2022. The principal balance outstanding was $155,172 at June 30, 2022.

In July 2015, the Authority entered into an equipment lease purchase agreement in the amount of $4,300,000 with a financial institution providing for the equipment to be installed in the geothermal project. The annual interest rate is 2.78%. Principal payments are due annually beginning July 2017; interest payments are due semi-annually beginning January 2016. The final principal and interest payment are due in July 2030. The principal balance outstanding was $2,890,300 at June 30, 2022.

Other Debt:

Airport improvement revenue bonds, Series 2003B

During November 2003, the Authority issued Series 2003B taxable bonds in the principal amount of $19,585,000. These bonds were issued to provide funding for a portion of the projected unfunded liability of the Metropolitan Nashville Airport Authority Retirement Plan for Employees (See Note 12).

5. Long-term Debt (continued)

The remaining Series 2003B bonds contain serial bonds at interest rates ranging from 5.49% to 5.94%, with annual sinking fund requirements in progressive annual amounts ranging from $680,000 on July 1, 2022, to $1,280,000 on July 1, 2033. The annual amounts accumulated in the sinking fund will be used to pay bond holders on July 1, 2023, and 2033. The 2003B bonds are subject to an extraordinary optional redemption, in whole at any time, at a redemption price equal to the principal amount plus accrued interest to the date of redemption only in the event of the destruction or damage to all or substantially all of the Nashville International Airport or the condemnation of the airport facility.

Airport improvement revenue bonds, Series 2015A&B

During December 2015, the Authority issued Series 2015A bonds in the principal amount of $91,855,000 and Series 2015B in the principal amount of $108,145,000, collectively the "Series 2015A&B bonds". The Series 2015A&B bonds were issued to finance certain capital improvement at Nashville International Airport and John C. Tune Airport, fund capitalized interest on the Series 2015A&B bonds, make deposits to the reserve accounts in the Airport Improvement Bond Reserve Fund, and pay certain costs of their issuance. The bonds were issued at a premium of $13,825,131 and $13,078,625 for 2015A and 2015B, respectively. This amount is being amortized through 2045.

Interest on the Series 2015A&B bonds is payable on each January 1 and July 1, commencing July 1, 2016.

The Series 2015A bonds contain serial bonds at interest rates ranging from 4% to 5%, maturing in amounts ranging from $2,005,000 on July 1, 2022, to $3,575,000 on July 1, 2035. $20,730,000 of term bonds at 5% are due on July 1, 2040, and $26,460,000 of term bonds at 5% are due on July 1, 2045.

The Series 2015B bonds contain serial bonds at interest rates ranging from 4% to 5%, maturing in amounts ranging from $2,395,000 on July 1, 2022, to $4,475,000 on July 1, 2035. $23,525,000 of term bonds at 5% are due on July 1, 2040, $17,130,000 of term bonds at 5% are due on July 1, 2043, and $12,825,000 of term bonds at 3.875% are due on July 1, 2045.

The Series 2015A&B bonds maturing on and after July 1, 2026, are subject to redemption prior to maturity, at the option of the Authority, at a redemption price equal to the principal amount plus interest to the date of redemption. The first optional call date is July 1, 2025.

Subordinate Airport improvement revenue bonds, Series 2019A&B

During December 2019, the Authority issued, under the First Supplemental Resolution, Series 2019A bonds in the principal amount of $254,435,000 and Series 2019B in the principal amount of $665,150,000, collectively the "Series 2019A&B bonds". The Series 2019A&B bonds were issued to finance certain capital improvement at Nashville International Airport, fund capitalized interest on the Series 2019A&B Bonds, make deposits to the reserve accounts in the Airport Improvement Bond Reserve Fund, and pay certain costs of their issuance. The bonds were issued at a premium of $56,925,475 and $134,372,678 for 2019A and 2019B, respectively. This amount is being amortized through 2054.

Interest on the Series 2019A&B bonds is payable on July 1, commencing July 1, 2020.

The Series 2019A bonds contain serial bonds at interest rates ranging from 4% to 5%, maturing in amounts ranging from $2,965,000 on July 1, 2025, to $6,530,000 on July 1, 2039. $37,870,000 of term bonds at 5% are due on July 1, 2044, $25,000,000 and $39,200,000 of term bonds at 4% and 5%, respectively, are due on July 1, 2049, and $25,000,000 and $60,120,000 of term bonds at 4% and 5%, respectively, are due on July 1, 2054.

5. Long-term Debt (continued)

The Series 2019B bonds contain serial bonds at interest rates ranging from 4% to 5%, maturing in amounts ranging from $7,920,000 on July 1, 2025, to $17,260,000 on July 1, 2039. $100,175,000 of term bonds at 5% are due on July 1, 2044, $50,000,000 and $116,170,000 of term bonds at 4% and 5%, respectively, are due on July 1, 2049, and $62,500,000 and $157,550,000 of term bonds at 4% and 5%, respectively, are due on July 1, 2054.

The Series 2019A&B bonds maturing on and after July 1, 2031, are subject to redemption prior to maturity, at the option of the Authority, on or after July 1, 2030, in whole or in part at any time, at a redemption price equal to the principal amount plus interest to the date of redemption.

BNA credit facility loan agreement

On December 5, 2016, the Authority entered into a Credit Facility Loan Agreement (BNA Credit Facility 1) with a financial institution. The lender made available to the Authority a non-revolving line of credit in the maximum principal of $100,000,000, the proceeds of which were to be used to finance a portion of the cost of the Authority's capital improvement program, including land acquisition and the acquisition, construction, rehabilitation, replacement, repair, renovation, improvement and reconstruction of terminal, airfield, parking, hangar, roadway, hotel, multi-modal transit facilities and the acquisition of airport equipment and other facilities and improvements as necessary and appropriate for the operation of such airport facilities at the Nashville International Airport or John C. Tune Airport. The note was payable from, but not secured by, available revenues of the Authority, including, without limitation, various grant funds to be received by the Authority for these projects. The loan carried interest at a variable rate equal to LIBOR (as adjusted by lender on the first calendar day of each month) plus 75 basis points per annum.

On January 7, 2019, the Authority entered into a new Credit Facility Loan Agreement (BNA Credit Facility 2) with a financial institution, which repaid the draws on BNA Credit Facility 1 in full. The lender made available to the Authority a non-revolving line of credit in the maximum principal amount of $300,000,000, the proceeds of which were to be used to finance a portion of the cost of the Authority's capital improvement program, including land acquisition and the acquisition, construction, rehabilitation, replacement, repair, renovation, improvement and reconstruction of terminal, airfield, parking, hangar, roadway, hotel, multi-modal transit facilities and the acquisition of airport equipment and other facilities and improvements as necessary and appropriate for the operation of such airport facilities at the Nashville International Airport or John C. Tune Airport. The Credit Facility was amended in December 2019 to increase the maximum principal amount to $400,000,000. Principal and interest on this line of credit are payable from the net revenues subject and subordinate, and secured by a lien and pledge on the net revenues junior and inferior, to the lien and pledge on the net revenues created under the General Resolution including the Master Subordinate Resolution for the payment and security of the bonds but on a parity with the Parity Other Obligations. In January 2022, the note was amended to carry a maximum principal amount of $300,000,000. The note matures on January 7, 2024. The taxable portion of the Credit Facility bears interest at a variable interest rate equal to BSBY plus 52 basis points. The nontaxable portion of the Credit Facility bears interest at a variable interest rate equal to 80% BSBY plus 42 basis points. The rates at June 30, 2022 were 2.13313% for the taxable Credit Facility, and 1.810504% for the nontaxable Credit Facility. Interest on this Credit Facility totaled $357,906 during fiscal year 2022. Accrued interest on this line of credit was $96,535 at June 30, 2022.

5. Long-term Debt (continued)

The Credit Facility contains default provisions as defined in the agreements. In the event of default, the obligations shall bear interest at the default rate – PRIME plus 3%. In the event of default, the lender may make one of more of the following actions at any time and from time to time (the actions may be taken at the same time or at different times):

(i) The lender may terminate the available commitment and declare the outstanding amount due under the obligations immediately due and payable.

(ii) The lender may sell or otherwise transfer all or a portion of the notes.

(iii) At the expense of the Authority, the lender may cure any default, event of default, or event of nonperformance, bringing all delinquent balances current and adding the delinquent balances to the total outstanding owed by the Authority.

Long-term debt activity for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021	New Borrowings	Principal Repayment	Amortization	Balance June 30, 2022	Due within one year
Direct Placement - airport revenue bonds	$ 27,358,295	$ -	$ (3,028,385)	$ -	$ 24,329,910	$ 3,132,780
Other - airport revenue bonds	1,120,655,000	-	(4,835,000)	-	1,115,820,000	5,080,000
Direct Placement - notes payable	3,705,504	-	(660,032)	-	3,045,472	453,087
Other - long-term debt	21,008,321	75,954,829	-	-	96,963,150	-
Add:						
Unamortized bond premiums	204,345,671	-	-	(6,350,912)	197,994,759	-
Total long-term debt	$ 1,377,072,791	$ 75,954,829	$ (8,523,417)	$ (6,350,912)	$ 1,438,153,291	$ 8,665,867

6. Passenger Facility Charges

On January 1, 1993, the airlines began collecting a Passenger Facility Charge ("PFC") on qualifying enplaning passengers at Nashville International Airport on behalf of the Authority. PFCs are fees imposed on enplaning passengers by airports to finance eligible airport-related projects that preserve or enhance safety, capacity, or security of the national air transportation system, reduce noise from an airport that is part of such system, or furnish opportunities for enhanced competition between or among air carriers. Both the fee and intended projects must be reviewed and approved by the FAA. Federal guidance on the PFC program has been updated from time to time since 1993, and the current maximum fee that can be authorized through federal regulation is $4.50 per enplaning passenger. PFCs are recorded as nonoperating revenue. PFC revenue during fiscal year 2022 totaled $35,678,032.

Effective September 2010, the Authority could collect a $3.00 PFC per enplaning passenger. In May 2015, the Authority began collecting a $4.50 PFC per enplaning passenger. The Authority anticipates remaining at this $4.50 collection level. The following project summary has been approved by the FAA as of June 30, 2022:

Airfield development	$ 220,910,934
Terminal development	704,766,710
Land acquisition	21,260,411
	$ 946,938,055

As of June 30, 2022, cumulative expenditures to date on approved PFC projects totaled $371,010,420.

7. Customer Facility Charges

On January 1, 2008, the Authority began requiring the car rental companies at Nashville International Airport to charge a Customer Facility Charge ("CFC") to be used to pay, or to reimburse the Authority, for costs, fees and expenses associated with the planning, design, construction, financing, maintenance and operation of the Consolidated Rental Car ("CONRAC") Facility, and other costs, fees, and expenses that may be paid from CFC proceeds. The CFC is a $4.50 per transaction day fee and is collected by on-airport car rental companies from each of their customers and subsequently remitted to the Authority. The Authority has pledged the CFC proceeds as collateral security for the payment of the CONRAC Series 2018 bonds May 2018. Additionally, in accordance with the terms of the CONRAC Series 2018 bond agreement, CFCs must be used to establish bond principal, interest, and reserve funds, as well as various other funds for the operation and maintenance of the CONRAC facility (See Note 5). The Authority can use CFCs collected in excess of the various refunded funds for any lawful purpose. CFC revenue during fiscal year 2022 totaled $12,939,489. CFC revenue is reported as non-operating revenues.

The Authority is leasing the facility to MPC CONRAC LLC under a lease agreement and is leasing-back the facility from MPC CONRAC LLC under a sublease agreement. In turn, the Authority will lease the CONRAC facility to on-airport rental car companies under the consolidated rental car lease agreements. Under these lease agreements, on-airport rental car companies have agreed to collect the CFC on all vehicle rental transactions as specifically set forth in the CFC enabling resolution and the related lease agreements.

Net position relating to CFCs totaled $30,050,839 at June 30, 2022, and is included in net investment in capital assets and restricted net position in the statements of net position.

8. Special Facility Revenue Bonds

Special facility revenue bonds, series 2005

During April 2005, the Authority issued $9,500,000 of Special Facility Revenue Bonds, Series 2005, on behalf of Embraer Aircraft Maintenance Services, Inc. The bonds were issued to finance the development and construction of an aircraft maintenance facility at Nashville International Airport.

The outstanding Special Facility Revenue Bonds, Series 2005, are special obligations of the Authority, and the debt service thereon shall be payable solely from revenues provided by Embraer Aircraft Maintenance Services, Inc., pursuant to a special facility sublease agreement or from letter of credit drawings made by the trustee. These bonds mature in April 2030. The principal balance outstanding as of June 30, 2022 was $9,500,000. Since these bonds do not represent a claim on the Authority's assets or require the Authority to incur future obligations, they represent conduit debt and have not been recorded in the Authority's financial statements.

Special facility revenue bonds, series 2006/refunding series 2010

During July 2006, the Authority approved an amendment to the ground lease with Aero Nashville, LLC, whereby the Authority agreed to issue $6,515,000 of Special Facility Revenue Bonds, Series 2006, on behalf of Aero Nashville, LLC. Aero Nashville is an affiliate of Aeroterm US, Inc., the firm selected by Federal Express Corporation to be the developer of a 69,000-square-foot cargo and support facility on approximately 15 acres of land at Nashville International Airport in 2005.

During November 2010, the Authority issued $6,200,000 in Special Facility Revenue Bonds, Refunding Series 2010, the proceeds of which were used to currently refund the outstanding Series 2006 bonds. The Refunding Series 2010 bonds are term bonds with mandatory sinking fund requirements annually through July 2026.

8. Special Facility Revenue Bonds (continued)

The Special Facility Revenue Bonds, Series 2006, and outstanding Refunding Series 2010 bonds are special obligations of the Authority and the debt service thereon shall be payable solely from revenues provided by Aero Nashville, LLC pursuant to a special facility sublease agreement or from letter of credit drawings made by the trustee. The principal balance outstanding as of June 30, 2022 was $2,355,000. Since these bonds do not represent a claim on the Authority's assets or require the Authority to incur future obligations, they represent conduit debt and have not been recorded in the Authority's financial statements.

9. Airline Use and Lease Agreement

During fiscal year 2015, the Authority entered into a Signatory Airline Use and Lease Agreement with a term from July 1, 2015 to June 30, 2022 (the "Airline Agreement") with American Airlines, Delta Air Lines, Southwest Airlines and United Airlines. The Airline Agreement was subsequently extended to June 30, 2023.

The Airline Agreements establish three cost centers for the purpose of determining rates and charges payable by the signatory airlines and other users of airport facilities: airfield, terminal, and terminal ramp area. Baggage and passenger loading bridge fees are also assessed. The Airline Agreements have a "hybrid" airline rate-setting methodology with landing fees calculated on a residual basis (as described below); whereas, terminal rental rates (as described below) and terminal ramp area rates are compensatory. Other than the airfield, the signatory airlines are not required to provide for break-even financial operation of the Nashville International Airport ("Airport") per the Airline Agreements.

Landing fees under the Airline Agreements are calculated on a primarily residual basis. Capital cost allocable to the airfield, including debt service on bonds, may be included in the calculation of the landing fees with Majority-in-Interest ("MII") approval. While debt service on bonds allocable to the airfield may be included in the landing fees, the Airline Agreements do not permit inclusion in the landing fees of coverage on bonds allocable to the airfield or any amount required for replenishing the Airport Improvement Bond Reserve Fund requirement allocable to such bonds.

The terminal rental rate under the Airline Agreements is calculated on a compensatory basis with fixed rates. There is no provision in the new Airline Agreements for increasing the terminal rental rate to provide for the payment of debt service on outstanding or additional bonds, as defined, allocable to the terminal or coverage on such bonds or any amount required to replenish the Airport Improvement Bond Reserve Fund requirement allocable to such bonds. However, it should be noted that when the fixed terminal rental rates were established, the Authority assumed allowances for outstanding bonds, the funding of its approximately $150.3 million capital improvement program for the terminal from various sources including the debt service on additional bonds required to support approximately $66.5 million of projects costs, and typical operations and maintenance expense escalations. With limited exceptions, there is no provision in the Airline Agreements for increasing the terminal rental rates for payment of debt service on additional bonds or increases in operations and maintenance expenses, greater than modeled and assumed. Additionally, other than revenues allocable to the airfield and the sharing with airlines a portion of revenues from in-terminal concessions and rental car concessions, the Authority is permitted to retain all other revenues.

Except as provided in the next succeeding paragraph, there is no provision in the Airline Agreements for including debt service on outstanding or additional bonds in airline rates and charges for bonds issued for other airport improvements not included in the airfield or terminal cost centers with or without MII approval.

Debt service on bonds allocable to the acquisition of passenger loading bridges or for baggage claim equipment, baggage make-up equipment and the baggage claim areas may be included in the passenger loading bridge fees or baggage fees that may be imposed under the Airline Agreements without MII

9. Airline Use and Lease Agreement (continued)

approval. There is no provision in the Airline Agreements for increasing the passenger loading bridge fees or baggage fees to provide for coverage on such bonds or any amount required to replenish the Airport Improvement Bond Reserve Fund requirement allocable to such bonds. Debt service on bonds allocable to capital improvements in the terminal ramp area may be included in the terminal ramp area rate without MII approval. There is no provision in the Airline Agreements for increasing the terminal ramp area rate to provide for coverage on such bonds or any amount required to replenish the Airport Improvement Bond Reserve Fund requirement allocable to such bonds.

Debt service on bonds that are not allocated to airfield improvements or the acquisition of passenger loading bridges, as well as coverage or amounts required to replenish the Airport Improvement Bond Reserve Fund requirement allocable to any bonds, must be paid from sources other than signatory airlines rates and charges, which would principally be the Authority's share of in-terminal concession revenues, rental car concessions, parking fees, and other non-airline lease revenues. Under the Airline Agreement, the Authority shares a portion of in-terminal concession and rental car concession revenue with the signatory airlines by means of revenue sharing credits. The Authority does not share parking fees with the signatory airlines.

The Authority is obligated under the Airline Agreements to undertake $259,013,000 of capital improvement projects that may not be funded through rates and charges to be paid by signatory airlines. It is anticipated that a large portion of the capital improvement project costs will be funded from sources other than rates and charges to be paid by signatory airlines (e.g. federal and state grants, Passenger Facility Charges (PFCs), Authority net revenues, and new, additional non-airline revenues). Principal amount of bonds allocable to the funding of capitalized interest are not counted toward these requirements.

The Airline Agreements provide signatory airline support for John C. Tune Airport, including certain reliever airport support costs in the landing fees and the use of amounts in the Operations and Maintenance Reserve Fund to pay operating expenses at John C. Tune Airport.

The Authority also owns MPC, a Tennessee nonprofit corporation, whose purpose is to support and facilitate the operations of the Authority and to help the economic development of the surrounding area. The Airline Agreements do not provide any signatory airline support for MPC. MPC financial obligations are not included within the Master Resolution, and any MPC shortfalls or deficits must be paid from other available Authority funds.

10. Risk Management and Insurance Arrangements

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; illnesses or injuries to employees; and natural disasters.

Self-insured employee medical benefit claims are accrued as incurred. The liability for reported claims and claims incurred but not reported, an estimate of which is based on historical experience and management projections, is reported with accrued payroll and related items in the financial statements. This liability does not include non-incremental claims adjustment expenses.

10. Risk Management and Insurance Arrangements (continued)

The following summarizes the changes in the estimated claims liability at June 30, 2022:

Balance - Beginning of year	$	928,102
Provision for incurred claims		2,640,676
Claim payments		(3,138,770)
Balance - End of year	$	430,008

The Authority carries commercial insurance for other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Environmental remediation

On October 9, 2012, the Authority entered into a Consent Order with the Tennessee Department of Environment and Conservation in response to a routine inspection which identified that a local area stream had been contaminated by untreated de-icing chemicals. In the Consent Order, the Authority was assessed a penalty of $22,500, and it was determined that Natural Resource Damages in the amount of $218,520 exist. In lieu of payment, the Authority proposed to upgrade its de-icing fluid collection and treatment system. Multiple projects, worth over $8,000,000, were undertaken. The upgrades diverted uncontaminated storm water away from the treatment system so that only storm water containing deicer fluid is collected for treatment. This allows for additional fluid storage and improves the treatment system process by systematically feeding the fluids to the biological treatment lagoon. The Authority continues to perform monitoring and reporting to the Tennessee Department of Environment and Conservation in compliance with NPDES Permit TN0064041.

The Authority is a defendant to various legal proceedings incidental to its operations. In the opinion of management and the Authority’s legal counsel, while the ultimate outcome of these matters, including an estimate of potential loss, cannot presently be determined, any losses sustained would not be material to the Authority’s financial position or operations. Additionally, losses sustained would be recoverable through the Authority’s leases with certain airlines discussed in Note 9.

11. Compensated Absences

Compensated absences are another component of the Authority's employee benefits program. Based on years of service, employees earn annual leave and may accumulate earned hours to certain limits for future use. In 2022, employees sold back $208,728 of their annual leave balances to the Authority in exchange for cash. Additional payments of $499,077 were made to employees who left employment with the Authority during the year ended June 30, 2022. The change in accrued compensated absences balance is charged to salaries and wages expense.

11. Compensated Absences (continued)

The following summarizes the changes in the compensated absences liability at June 30, 2022, which is included in accrued payroll and related items on the statements of net position:

Balance - Beginning of year	$	2,817,555
Provision for compensated absences		2,837,424
Annual leave used		(2,248,341)
Annual leave buy-back and other		(707,805)
Balance - End of year	$	2,698,833

The compensated absence liability balance is due within one year.

12. Retirement Benefit Plan

General information about the pension plan

Plan description

Effective September 1, 1989, the Metropolitan Nashville Airport Authority (the "Authority") adopted a single-employer public employee retirement system ("PERS") for its employees, whereby the net position restricted for benefits relative to the Authority's employees were transferred from the retirement system of the Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government") to the Metropolitan Nashville Airport Authority Retirement Plan for Employees. Those net assets transferred from the Metropolitan Government's retirement system to the Plan included accumulated employee contributions and allocated investment income. The Plan is a defined benefit pension plan.

The Plan is administered by management of the Authority and is governed by a Retirement Committee (the "Committee"). The Committee members are appointed by the Authority. On June 30, 2022, the Committee consists of 7 voting members, five of whom are active Authority senior management, two of whom are active Authority employees and members of the Plan. Non-voting members of the Committee consist of an Advisor Member (retiree in the plan), and the Authority's paralegal and Director of Treasury.

Benefits provided

Eligible employees become 100% vested in their accrued pension benefit after 5 years of credited service and may elect to retire at any time after age 65 (or after age 55 for safety and security employees with completion of 10 years of service).

The employees who retire at or after age 65 (55 for safety and security employees) are entitled to a retirement benefit, payable monthly for life, equal to one-twelfth of the product of 2% of average earnings multiplied by years of credited service. Average earnings are the average of annual earnings for the five full consecutive calendar years in which earnings were the highest or for such lesser number of full calendar years of service as have been completed. Credited service is the total number of years and completed one-half months of service from the date of hire to date of termination, adjusted for some certain periods of unpaid absence. Certain supplemental benefits have been provided for in the Plan as incentives for certain prior officers of the Authority.

Early retirement under the Plan is retirement from service prior to the participant's normal retirement date and on or after the date as of which the participant has attained both the age of 55 years and completed 5

12. Retirement Benefit Plan (continued)

years of vesting service. A participant classified as a safety and security employee is eligible for early retirement on or after the date as of which such employee has attained both the age of 50 years and completed 5 years of vesting service. Participants electing early retirement, as defined above, receive reduced benefits immediately or may defer and receive full benefits at normal retirement age. There are also certain benefit provisions upon death or disability.

Changes to the Plan, including benefits provided thereunder can be made only by formal resolutions of the Authority's Board of Commissioners. Additionally, cost-of-living adjustments are made only as approved by the Board of Commissioners. Cost-of-living adjustments are provided to members and beneficiaries at the discretion of the Authority. Benefit provisions are established and may be amended by the Authority.

Employees covered by benefit terms

On June 30, 2022, the following employees were covered by the benefit terms:

Retired	191
Deferred vested	53
Active vested	46
	290

Effective June 27, 2003, the Plan was closed to new participants; therefore, employees hired after June 27, 2003, are not eligible to participate in the Plan.

Contributions

The Plan is non-contributory for employees; accordingly, no contributions shall be required or permitted to be made by plan participants. The Authority's Board of Commissioners has approved a funding plan which establishes the expected employer contributions to the Plan through fiscal year 2022. In determining the funding plan, the Authority considers the actuarially determined contribution, as recommended by an independent actuary. The actuarially determined contribution is the estimated amount necessary to finance the costs of benefits earned by plan participants, with an additional amount to finance the net pension liability.

Pension Net Position

The investments of the Plan are governed by an investment policy approved by the Authority's Retirement Committee. The investment policy establishes the Plan's investment objectives, portfolio benchmarks, and asset allocation parameters. The investment policy also requires certain qualifications of investment managers, review of investment returns, and reporting requirements. Generally, the investment policy specifies a long-term investment horizon with investment returns to be achieved without undue investment risk. Changes to the investment policy can be made only by formal resolution of the Board of Commissioners. The investment policy for the Retirement Plan for Employees of the Metropolitan Nashville Airport Authority and the Metropolitan Nashville Airport Authority Other Post-Employment Benefit Plans was updated and became effective August 2019.

The Plan's investment assets are held in trust by the Plan's trustee for the benefit of plan participants. Investments in equity and bond mutual funds are stated at fair value using quoted market prices in active markets (level 1) and various market and industry inputs (level 2). Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. The Plan's investment assets are held in trust by the Plan's trustee, Principal.

12. Retirement Benefit Plan (continued)

The Plan's investments which represented 5% or more of net position as of June 30, 2022:

Description of Investment		
Principal	Federated Total Return Bond	$ 9,202,252
Principal	Dodge and Cox Intermediate Bond	9,076,186
Principal	Allspring Core Bond	9,067,473
Principal	Blackrock S&P 500 Index	7,985,278
Principal	Blackrock S&P Midcap Index	5,193,827
	Other funds representing less than 5%	35,889,228
	Total investment and net position	$ 76,414,244

Net pension liability

The Authority's net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions

The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.0%, compounded annually
Salary increases	4.0% per annum, compounded annually
Investment rate of return	5.5% per annum, compounded annually, net of pension plan investment expense and inflation

The mortality table was changed from the RP-2014 Generational Mortality Table for Males and Females, as applicable, with adjustments for mortality improvements based on Scale MP-2020 to the RP-2014 Generational Mortality table for Males and Females with Improvement Scale MP-2021. The discount rate remains the same at 5.5%.

The annual money-weighted rate of return on pension assets was -12.88% in fiscal year 2022.

The long term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation are summarized in the following table:

12. Retirement Benefit Plan (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity - Small Cap	4.00%	6.00%
Domestic Equity - Large Cap	26.50%	5.10%
Domestic Equity - Mid Cap	7.00%	5.80%
International Equity	12.50%	5.00%
Fixed Income	47.00%	1.10%
Cash	3.00%	-0.50%

Discount rate

The discount rate used to measure total pension liability is 5.5%, compounded annually. The Authority's Board of Commissioners has approved the funding policy, as described in the contributions section above.

The Authority intends to make contributions under the funding plan, as required to keep the Plan solvent, and to meet the minimum funding requirements of the State of Tennessee. Having a formal funding policy and statutory contributions in the future supports the position that the Plan's fiduciary net position will remain positive in the future. Accordingly, the long-term rate of return-on-investment assets has been used as the discount rate for all future periods.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at July 1, 2021	$ 79,475,842	$ 92,526,143	$ (13,050,301)
Changes for the year:			
Service cost	528,437	-	528,437
Interest	4,371,171	-	4,371,171
Difference between expected and actual experience	2,075,869	-	2,075,869
Change in assumptions	137,652	-	137,652
Contributions - Employer	-	250,000	(250,000)
Net investment loss	-	(11,820,464)	11,820,464
Benefits paid	(4,541,435)	(4,541,435)	-
Net changes	2,571,694	(16,111,899)	18,683,593
Balance as June 30, 2022	$ 82,047,536	$ 76,414,244	$ 5,633,292

The pension fiduciary net position is equal to 93% of the total pension liability.

12. Retirement Benefit Plan (continued)

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

Sensitivity of the net pension liability to changes in the discount rate

The following represents the net pension liability calculated using the stated discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease 4.50%	Current Rate 5.50%	1% Increase 6.50%
Net pension liability (asset)	$14,740,111	$ 5,633,292	$ (2,057,784)

Pension plan fiduciary net position

For the year ending June 30, 2022, the Authority recognized pension expense of 3,219,544. On June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Experience gains or losses	$ -	$ -
Change of assumptions	-	-
Net difference between projected and actual earnings on investment	6,473,537	-
Total	$ 6,473,537	$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions as of June 30, 2022, will be recognized in pension expense as follows:

Year ended June 30,	
2022	$ 1,144,264
2023	$ 1,009,064
2024	$ 961,929
2025	$ 3,358,280

13. Other Postemployment Benefits (OPEB)

General information about the OPEB plan

Plan description

On April 22, 2009, the Board of Commissioners approved MNAA Resolution 2009-07 establishing an investment trust for the purpose of funding OPEB as provided in Tennessee Code Annotated, Title 8, Chapter 50, Part 12. The Tennessee State Funding Board approved the formation of the trust on June 17, 2009. There is no obligation to fund the trust; however, management has a plan whereby cash contributions are intended to be made to help offset the anticipated increased outflows in future years to cover retiree benefits.

The Plan is a single-employer plan administered by management of the Authority and is governed by a Retirement Committee (the "Committee"). The Committee members are appointed by the Authority. At June 30, 2021, the Committee consists of 7 voting members, five of whom are active Authority senior management, and two of whom are active Authority employees and members of the Plan. Non-voting members of the Committee consist of an advisor Member (retiree in the plan), and the Authority's paralegal and Director of Treasury.

The Authority voluntarily provides postemployment healthcare benefits to certain eligible employees who retire under either the Authority's PERS or the Metropolitan Government's PERS.

Benefits provided/Contributions

As part of the OPEB actuarial evaluation on July 1, 2013, which was effective for the Authority's 2014 fiscal year, certain changes to the OPEB Trust were considered, including the following: The Authority adopted an Employer Group Waiver Plan (EGWP) for post-65 retiree pharmacy benefits effective January 1, 2014. Additionally, the Authority adopted certain post-65 stop loss coverage.

Effective January 1, 2017, MNAA offered a Medicare Supplement Plan. Retirees and spouses (post 65) had the option to enroll in the Medicare Supplement Core or Core Plus plans through AmWINS Group Benefits if they desired to continue coverage through MNAA. If they desired not to enroll in MNAA supplemental plans, they have the option to enroll in the individual Market Medicare Plans.

MNAA makes a monthly contribution of $250 for each participant (retiree and spouse) in a Health Reimbursement Account (HRA). These contributions are to be used toward the monthly premiums of those who have elected MNAA plans or an individual market plan.

The account reimburses the participant for their individual medical, dental, or vision premiums along with out-of-pocket health care expenses such as copays, deductibles, coinsurance, etc.

For retirees under 65, the Authority pays approximately 75% of the medical, dental, vision, and prescription coverage cost, with retirees paying the remaining 25%. The Authority also pays 100% of the premium cost of a $14,000 life insurance policy on each retiree. In addition, the retirees have the option to pay 100% of the cost of supplemental life insurance coverage. Currently, 117 Pre-65 are receiving OPEB benefits. The monthly contribution requirements for participants in the Authority's medical plan range from $103.02 (single "Core Wellness" premium) to $436.62 (family "HDHP" non-well premium). The Authority decided it would not provide postemployment benefits to any new entrants on January 1, 2009. Therefore, any employee hired on or after this date is not eligible for any postemployment benefits through the Authority.

Under the Metropolitan Government's PERS, the Authority pays 75% of the cost of medical and dental coverage, while the retirees pay the remaining 25%. The Authority also pays 100% of the premium cost of a $14,000 life insurance policy on each retiree. As of June 30, 2022, there were 10, receiving benefits under

13. Other Postemployment Benefits (OPEB) (continued)

the PERS. During the year ended June 30, 2022, payments of $78,676 were made to the Metropolitan Government for postemployment benefits under this PERS.

Employees covered by benefit terms

On June 30, 2022, the following employees were covered by the benefit terms:

Actives (with medical coverage)	77
Actives (without medical coverage)	1
Retirees (with medical coverage)	159
Covered spouses of retirees	106
Retirees (without medical coverage)	17
Deferred vested employees	54
	414

OPEB Net Position

The Authority does not issue separate financial statements for postemployment benefits. The OPEB's net position consists solely of the Plan's investments at fair value as there are no significant related liabilities or deferred inflows or outflows.

The investments of the Plan are governed by an investment policy approved by the Authority's Retirement Committee. The investment policy establishes the Plan's investment objectives, portfolio benchmarks, and asset allocation parameters. The investment policy also requires certain qualifications of investment managers, review of investment returns, and reporting requirements. Generally, the investment policy specifies a long-term investment horizon with investment returns to be achieved without undue investment risk. Changes to the investment policy can be made only by formal resolution of the Board of Commissioners. The investment policy for the Retirement Plan for Employees of the Metropolitan Nashville Airport Authority and the Metropolitan Nashville Airport Authority Other Post-Employment Benefit Plans was updated and became effective August 2019.

The Plan's investment assets are held in trust by the Plan's trustee for the benefit of plan participants. Investments in equity and bond mutual funds are stated at fair value using quoted market prices in active markets (level 1). Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. The Plan's investment assets are held in trust by the Plan's trustee, Principal.

13. Other Postemployment Benefits (OPEB) (continued)

The Plan's investments which represented 5% or more of net position as of June 30, 2022 are as follows:

Description of Investment		
Principal	Allspring Core Bond Fund	$ 3,447,426
Principal	Metropolitan West Total Return Bond Fund Class I	3,475,459
Principal	Federated Total Return Fund Class I	3,442,505
Principal	Northern Mid Cap Index Fund	3,013,636
Principal	Dodge & Cox Income Fund	3,419,896
Principal	Vanguard 500 Index Fund	4,625,517
	Other funds representing less than 5%	15,218,074
	Total investment and net position	$ 36,642,513

Net OPEB asset

The Authority's net OPEB asset was measured as of June 30, 2022, and the total OPEB asset was determined by an actuarial valuation as of that date.

Actuarial assumptions

Actuarial valuations of an ongoing postemployment benefits plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplemental information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of Trust assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive postemployment benefits (the plan as understood by the employer and retirees) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and retirees to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The total OPEB liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation method	Entry age normal rate
Discount rate	6%
Expected long-term rate of return on plan assets	6%
Health care cost trend rate	6% graded down using the Getzen model
Dental and vision rate	5%
Retirement rates	Varying rates beginning with 5% at age 50 to 100% retirement at age 65

13. Other Postemployment Benefits (OPEB) (continued)

The mortality was changed from mortality table RP-2014 with improvement scale MP-2020 to mortality table RP-2014 mortality table with improvement scale MP- 2021. The Medical trend was changed from 6.25% graded to 5.75% over 2 years and following the Getzen model thereafter to 6 % grading to 5.5% over 2 years and following the Getzen model thereafter.

Effective January 1, 2017, Medicare-eligible retirees, retiree spouses, and disabled participants will receive $3,000 per year to purchase health coverage on an exchange.

Claims were adjusted for aging based on the Yamamoto aging table for Non-Medicare participants, normalized at age 65.

The annual money-weighted rate of return on OPEB assets was -13.64% in fiscal year 2022.

The long-term expected rate of return on plan assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity - Small Cap	4.80%	6.00%
Domestic Equity - Large Cap	31.80%	5.10%
Domestic Equity - Mid Cap	8.40%	5.80%
International Equity	15.00%	5.05%
Fixed Income	37.00%	1.10%
Cash	3.00%	-0.30%

Due to the Plan's asset allocation, the long-term rate of return of 6.0% was selected. Plan assets, together with projected future contributions based on historic experience, are expected to cover benefits payments for the duration of the plan.

13. Other Postemployment Benefits (OPEB) (continued)

Changes in the net OPEB liability

	Total OPEB Liability (a)	Plan Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances at July 1, 2021	27,867,732	44,299,417	(16,431,685)
Change for the year:			
Service cost	505,251	-	505,251
Interest	1,604,056	-	1,604,056
Difference between expected and actual experience	4,284,326	-	4,284,326
Changes of assumptions	(237,239)	-	(237,239)
Net investment loss	-	(5,932,472)	5,932,472
Contributions - Employer	-	-	-
Benefits paid	(1,638,721)	(1,638,721)	-
Administrative expenses	-	(85,711)	85,711
Net changes	4,517,673	(7,656,904)	12,174,577
Balance at June 30, 2022	32,385,405	36,642,513	(4,257,108)

The OPEB fiduciary net position is equal to 113% of the total OPEB liability.

The Authority made no contributions to the OPEB Trust during fiscal year 2022. This was considered in the June 30, 2022, actuarial valuations.

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate

The following represents the net OPEB liability/(asset) calculated using the stated health care cost trend assumption, as well as what the OPEB liability/(asset) would be if it were calculated using the healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the assumed trend rate:

Net OPEB Liability (Asset)	5.00% Decreasing using the Getzen model	6.00% Decreasing using the Getzen model	7.00% Decreasing using the Getzen model
June 30, 2022	$ (6,759,414)	$ (4,257,108)	$ (1,377,639)

Sensitivity of the net OPEB liability to changes in the discount rate

The following represents the net OPEB liability/(asset) calculated using the stated discount rate, as well as what the net OPEB liability/(asset) would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

Net OPEB Liability (Asset)	1% Decrease 5.00%	Current Rate 6.00%	1% Increase 7.00%
June 30, 2022	$ (1,657,605)	$ (4,257,108)	$ (6,535,588)

13. Other Postemployment Benefits (OPEB) (continued)

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ending June 30, 2022, the Authority recognized OPEB expense of ($722,846). On June 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Ouflows of Resources	Deferred Inflows of Resources
Experience gains or losses	$ -	$ -
Change of assumption	-	-
Net difference between projected and actual earnings on investments	1,999,656	-
Total	$ 1,999,656	$ -

Year Ended June 30,	
2022	$ 15,428
2023	$ 124,268
2024	$ 152,072
2025	$ 1,707,888

14. Defined Contribution Plans

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457, which is administered by a third party, Voya Retirement Services. The plan, available to all Authority employees, permits the deferral of a portion of salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The assets of the plan are held in custodial and annuity accounts for the exclusive benefit of plan participants, and accordingly, the related assets of the plan are not reflected on the Authority's statement of net position. Beginning January 1, 2001, the Authority's matching contributions have been made to a deferred compensation plan created in accordance with Internal Revenue Code Section 401 (a). Employer contributions vest after six months of employment. Any forfeitures are refunded to the Authority. Amounts contributed by the Authority to the deferred compensation plan were $1,127,151 in 2022. Employees contributed through payroll deductions to the plan $1,497,833 in 2022.

During May 2013, the Board of Commissioners approved an additional 401 (a) defined contribution retirement plan, which is administered by a third party, Voya Retirement Services. Under this additional plan, the Authority contributed 10% of an employee's base compensation on an annual basis. This 401 (a) plan is available only to employees hired after June 27, 2003, who do not participate in the Authority's defined benefit pension plan described in Note 12. All contributions by the Authority are discretionary, and vest after one year of employment. Any forfeitures are refunded to the Authority. Amounts contributed by the Authority to the deferred retirement compensation plan are $1,556,331 in 2022.

15. Lease Accounting

Lessor

For the year ended June 30, 2022, the Authority's financial statements include the adoption of GASB Statement No. 87, *Leases* ("GASB No. 87"). The primary objective of GASB No. 87 is to enhance the relevance and consistency of information about governments' leasing activities. GASB No. 87 establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under GASB No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

The Authority leases certain assets to various third parties. The assets leased include space, ground and lands leased in the Airfield and Grounds, Terminal Building, John C Tune Airport, Multi-Purpose Building and International Plaza Building. These payments are generally fixed monthly payments with certain variable payments not included in the measurement of the lease receivable. These payments are based on a percentage of lessee's revenue above the Minimum Annual Guarantee.

During the year ended June 30, 2022, the Authority recognized the following related to its lessor agreements:

Lease Revenue	$	11,539,625
Interest income related to leases	$	2,354,547
Revenue from variable payments not previously included in the measurement of the lease receivables	$	1,174,690

Summary of Lease Activities as of June 30, 2022:

Building (55 leases)		
Term		8 to 416 months
Lease receivable	$	54,379,915
Lease revenue	$	8,061,724
Termination options		1 to 3 months
Land (13 leases)		
Term		33 to 581 months
Lease receivable	$	55,600,987
Lease revenue	$	3,477,901

Included in the Authority's lease receivables at June 30, 2022, are $109,980,902 related to leases whose revenue is pledged to secure certain outstanding debt obligations of the Authority. The leases contain lessee options to terminate the leases or abate payments under certain circumstances. These include passenger volumes dropping to an unsustainable level, failure to perform by lessor, or the assumption of the US Government or authorized agency to control or restrict the use of the lessee's assigned area. Certain leases allow the lessee to cancel for any reason with 1 to 3 months' advance written notice.

15. Lease Accounting (continued)

Future principal and interest payment requirements related to the Authority's lease receivable at June 30, 2022 are as follows:

Principal and Interest Expected to Maturity

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2023	10,841,469	2,248,186	13,089,655
2024	7,418,693	2,115,809	9,534,502
2025	7,061,597	1,994,256	9,055,853
2026	7,049,968	1,872,907	8,922,875
2027	6,869,364	1,748,593	8,617,957
2028 - 2032	25,752,193	7,113,751	32,865,944
2033 - 2037	13,497,789	5,028,608	18,526,397
2038 - 2042	7,881,627	3,660,904	11,542,531
2043 - 2047	5,393,454	2,788,111	8,181,565
2048 - 2052	3,977,453	2,225,376	6,202,829
2053 - 2057	3,875,788	1,672,612	5,548,400
2058 - 2062	3,401,252	1,197,946	4,599,198
2063 - 2067	4,410,406	667,481	5,077,887
2068 - 2071	2,549,849	88,722	2,638,571

Regulated Leases

The Authority leases certain assets to various third parties as regulated leases, as defined by GASB Statement No. 87. The leased assets include jet bridges, ticket counters, ticket offices, passenger hold rooms, concourse operations space, baggage service areas, hangars, grounds and land, and are regulated under the FAA Rates and Charges Policy and Grant Assurance 22. Certain assets are subject to preferential or exclusive use by the counterparties to these agreements, as follows:

Jet bridges – 40 of 43 total jet bridges are designated preferential use

Passenger hold rooms – 93% of available space is designated preferential use

Baggage service – 83% of available space is designated preferential use

Ticket counter space – 93% of available space is designated preferential use

Ticket office space – 100% of available space is designated exclusive use

Concourse operations space – 72% of available space is designated preferential use

During the year ended June 30, 2022, the Authority recognized the following from regulated leases:

Regulated Lease Revenue	$27,915,285
Revenue from variable payments not included in schedule of expected future minimum payments	$14,077,554

15. Lease Accounting (continued)

Future expected minimum payments related to the Authority's regulated leases at June 30, 2022 are as follows:

Fiscal Year	Future Minimum Expected Receipts
2023	29,585,786
2024	5,283,883
2025	5,141,324
2026	5,213,186
2027	5,283,700
2028 - 2032	26,155,208
2033 - 2037	20,548,356
2038 - 2042	16,015,559
2043 - 2047	17,121,502
2048 - 2052	19,327,535
2053 - 2057	16,585,724
2058 - 2062	1,872,145
2063 - 2067	1,607,396
2068 - 2071	894,122

The Authority has entered into certain regulated leases whereby the related lease revenue is pledged to secure certain outstanding debt obligations of the Authority. These leases contain lessee options to terminate the lease or abate payments under certain circumstances such as: for convenience with 90-180 days' notice, failure of Authority to repair or reconstruct property necessary for aircraft operations, failure of Authority to keep airfield open at all practical times in accordance with its FAA Operating Permit, failure to disclose and conflict or potential conflict of interest, default by Authority, assumption of the United States Government, or any authorized agency, to control airport operations in such a manner that substantially restricts the Lessee's use of its assigned area, and any other breach of terms not remedied within 30 days of notice.

16. Subscription Based Information Technology Arrangements

GASB 96 – Included Subscription Based Information Technology Arrangements

For the year ended June 30, 2022, the Authority's financial statements include the adoption of GASB Statement No. 96, *Subscription Based Information Technology Arrangements* (SBITA). The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement provides one methodology for the accounting and financial reporting for subscription-based information technology arrangements. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset. For additional information, refer to the disclosures below.

16. Subscription Based Information Technology Arrangements (continued)

The Authority has entered into SBITAs with various third parties. These arrangements provide access to airline common use systems, accounts receivable software, public warning platforms, and project management software. The leased assets include access to a third party's proprietary software. A subscription asset and related accumulated amortization are included in capital assets on the Statement of Net Position. SBITAs that include maintenance or support services in addition to access to a third party's proprietary software are reported below. A summary at June 30, 2022 is as follows:

Subscription asset	$ 698,216
Accumulated amortization	$ 147,072
Term	3 to 66 months

Future principal and interest payment requirements related to the Authority's lease liability at June 30, 2022 are as follows:

Principal and Interest Expected to Maturity			
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2023	87,541	7,290	94,831
2024	89,751	6,088	95,839
2025	77,387	4,869	82,256
2026	80,930	3,732	84,662
2027	84,598	2,542	87,140
2028 - 2032	88,394	1,299	89,693

GASB 96 – Excluded SBITAs

In accordance with GASB Statement No. 96, the Authority does not recognize a lease liability or right-to-use asset for SBITAs that are considered short-term, or a maintenance or support arrangement.

17. Condensed Financial Information by Entity

	Airports		Blended Component Unit	
Condensed statement of net position:	Nashville International Airport	John C. Tune Airport	MNAA Properties Corporation	Total
Assets:				
Current assets	$ 480,185,150	$ 7,551,153	$ 12,273,955	$ 500,010,258
Restricted assets	335,374,285	-	-	335,374,285
Capital assets, net	1,526,001,067	80,881,828	5,545,315	1,612,428,210
Net pension asset	-	-	-	-
Other assets	94,869,397	50,670	9,672,040	104,592,107
Total assets	2,436,429,899	88,483,651	27,491,310	2,552,404,860
Deferred outflows of resources	10,635,879	-	-	10,635,879
Total assets and deferred outflows of resources	$2,447,065,778	$ 88,483,651	$ 27,491,310	$2,563,040,739
Liabilities:				
Current liabilities	$ 82,172,726	$ 4,259,921	$ 289,218	$ 86,721,865
Noncurrent liabilities	1,470,737,825	-	-	1,470,737,825
Total liabilities	1,552,910,551	4,259,921	289,218	1,557,459,690
Deferred inflows of resources	94,760,065	56,478	12,337,016	107,153,559
Net position:				
Net investment in capital assets	277,282,462	80,881,828	5,545,315	363,709,605
Restricted for:				
Capital projects	53,034,524	-	-	53,034,524
Debt service	241,070,683	-	-	241,070,683
Operations	40,886,755	-	-	40,886,755
Pension	840,245	-	-	840,245
OPEB	6,256,764	-	-	6,256,764
Unrestricted net position	180,023,729	3,285,424	9,319,761	192,628,914
Total net position	799,395,162	84,167,252	14,865,076	898,427,490
Total liabilities, deferred inflows of resources, and net position	$2,447,065,778	$ 88,483,651	$ 27,491,310	$2,563,040,739
Condensed statement of revenues expenses, changes in net position:				
Operating revenues	$ 205,401,861	$ 984,467	$ 3,842,536	$ 210,228,864
Operating expenses	185,891,460	4,351,587	1,996,289	192,239,336
Operating income (loss)	19,510,401	(3,367,120)	1,846,247	17,989,528
Nonoperating revenues	20,637,713	1,294,722	172,989	22,105,424
Transfers	(464,004)	464,004	-	-
Capital contributions	317,550	29,445,286	-	29,762,836
Increase in net position	40,001,660	27,836,892	2,019,236	69,857,788
Net position, beginning of year	759,393,503	56,330,360	12,845,839	828,569,702
Net position, end of year	$ 799,395,163	$ 84,167,252	$ 14,865,075	$ 898,427,490
Condensed statement of cash flows:				
Cash flows from operating activities	$ 110,438,923	$ 177,624	$ 2,125,095	$ 112,741,642
Cash flows from noncapital financing activities	26,574,987	918,587	-	27,493,574
Cash flows from capital and related financing activities	(166,953,357)	(2,913,993)	(11,587)	(169,878,937)
Cash flows from investing activities	(180,953,554)	(3,069,827)	(7,881,708)	(191,905,089)
Intercompany	(424,565)	462,063	(37,498)	-
Increase (decrease) in cash and cash equivalents	(211,317,566)	(4,425,546)	(5,805,698)	(221,548,810)
Cash and cash equivalents beginning of year	457,338,971	4,475,254	6,893,645	468,707,870
Cash and cash equivalents, end of year	$ 246,021,405	$ 49,708	$ 1,087,947	$ 247,159,060

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This section contains the following subsections:

Metropolitan Nashville Airport Authority
Schedule of Changes in Net Pension Liability
Year Ended June 30 for Each of the Years Presented

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:									
Service cost	$ 528,437	$ 654,045	$ 823,410	$ 685,843	$ 667,297	$ 741,608	$ 679,217	$ 645,437	$ 845,864
Interest	4,371,171	4,590,189	4,622,700	4,604,838	4,218,823	4,482,097	4,342,076	3,987,395	3,521,317
Differences between expected and actual experience	2,075,869	(307,806)	(1,902,545)	2,027,120	745,177	(1,259,978)	537,929	677,000	356,625
Changes of assumptions	137,652	2,223,479	(219,979)	7,451,464	2,942,473	(616,820)	2,516,013	1,676,218	3,581,969
Benefit payments	(4,541,435)	(4,187,216)	(3,865,432)	(3,507,672)	(3,059,272)	(2,839,298)	(2,589,887)	(2,552,544)	(2,479,800)
Net change in total pension liability	2,571,694	2,972,691	(541,846)	11,261,593	5,514,498	507,609	5,485,348	4,433,506	5,825,975
Total pension liability - beginning	79,475,842	76,503,151	77,044,997	65,783,404	60,268,906	59,761,297	54,275,949	49,842,443	44,016,468
Total pension liability - ending (a)	82,047,536	79,475,842	76,503,151	77,044,997	65,783,404	60,268,906	59,761,297	54,275,949	49,842,443
Plan fiduciary net position:									
Contributions - employer	250,000	417,321	3,450,000	8,900,000	2,000,000	5,160,905	11,951,995	8,000,000	8,000,000
Net investment (loss) income	(11,820,464)	16,647,552	4,297,823	4,148,512	4,968,584	6,771,977	205,790	1,428,204	4,574,509
Benefit payments	(4,541,435)	(4,187,216)	(3,865,432)	(3,507,672)	(3,059,272)	(2,839,298)	(2,589,887)	(2,552,544)	(2,479,800)
Net change in plan fiduciary net position	(16,111,899)	12,877,657	3,882,391	9,540,840	3,909,312	9,093,584	9,567,898	6,875,660	10,094,709
Plan fiduciary net position - beginning	92,526,143	79,648,486	75,766,095	66,225,255	62,315,943	53,222,359	43,654,461	36,778,801	26,684,092
Plan fiduciary net position - ending (b)	76,414,244	92,526,143	79,648,486	75,766,095	66,225,255	62,315,943	53,222,359	43,654,461	36,778,801
Authority's net pension liability (asset) - ending (a) - (b)	$ 5,633,292	$ (13,050,301)	$ (3,145,335)	$ 1,278,902	$ (441,851)	$ (2,047,037)	$ 6,538,938	$ 10,621,488	$ 13,063,642
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.1%	116.4%	104.1%	98.3%	100.7%	103.4%	89.1%	80.4%	73.8%
Covered payroll	$ 4,342,597	$ 5,239,192	$ 6,534,870	$ 6,811,701	$ 8,493,682	$ 8,497,486	$ 8,078,834	$ 7,895,716	$ 7,732,080
Net pension liability (asset) as a percentage of covered payroll	129.7%	(249.09%)	(48.13%)	18.8%	(5.20%)	(24.09%)	80.9%	134.5%	169.0%

Metropolitan Nashville Airport Authority
Schedule of Pension Contributions
Year Ended June 30 for Each of the Years Presented

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 166,598	$ 417,321	$ 945,088	$ 790,495	$ 717,344	$ 1,101,679	$ 1,652,788	$ 2,165,146	$ 2,667,945
Contributions in relation to the actuarially determined contribution	250,000	417,321	3,450,000	8,900,000	2,000,000	5,160,905	11,951,995	8,000,000	8,000,000
Contribution deficiency (excess)	$ (83,402)	$ -	$ (2,504,912)	$ (8,109,505)	$ (1,282,656)	$ (4,059,226)	$ (10,299,207)	$ (5,834,854)	$ (5,332,055)
Covered payroll	$ 4,342,597	$ 5,239,192	$ 6,534,870	$ 6,811,701	$ 7,440,484	$ 8,493,682	$ 8,497,486	$ 8,078,834	$ 7,895,716
Contributions as a percentage covered payroll	5.8%	8.0%	52.8%	130.7%	26.9%	60.8%	140.7%	99.0%	101.3%

Notes to Schedule of Changes in the Net Pension Liability (Asset) and Schedule of Pension Contributions

Actuarially determined contribution rates for each year presented in the Schedule of Pension Contributions are based on an actuarial valuation performed as of the first day of each year for which the contributions relate. Methods and assumptions used to determine the contribution rate for the June 30, 2022 actuarially determined contribution are below. For each year presented in the Schedule of Changes in Net Pension Liability (Asset), assumption changes relate to an annual update of the mortality table, as noted below:

Actuarial valuation method	Entry age normal
Asset valuation method	Fair market value for Statement No. 67 and Statement No. 68 Fair market value is based on quoted market prices
Amortization method	Level Dollar
Amortization period	For Statement No. 68 as of June 30, 2022 Investment gains or losses are amortized over 5 years. Experience gains or losses are amortized over the average working lifetime of all participants which for the current period is 1 year. Plan amendments are recognized immediately. Changes in actuarial assumptions are amortized over the average working lifetime of all participants.
Inflation	2%, per annum, compounded annually
Salary increases	4%, per annum, compounded annually
Investment rate of return	5.5%, per annum, compounded annually
Discount rate	5.5%, per annum, compounded annually
Retirement age	Varying rates beginning with 5% at age 50 and 100% retirement at age 65. Normal retirement age of 55 with 10 years of service, but no later than 65, for public safety employees
Mortality	The 2021 actuarially determined contribution was based on the RP-2014 Generational Mortality Table for Males and Females with Improvement Scale MP-2020. Assumption changes in the Schedule of Changes in Net Pension Liability (Asset) relate to a change in the mortality tables used for each year presented, as follows: June 30, 2022: RP-2014 Generational Mortality Table for Males and Females with Improvement Scale MP-2021 June 30, 2021: RP-2014 Generational Mortality Table for Males and Females with Improvement Scale MP-2020 June 30, 2020: RP-2014 Generational Mortality Table for Males and Females with Improvement Scale MP-2019 June 30, 2019: RP-2014 Generational Mortality Table for Males and Females with improvement Scale MP-2018 June 30, 2018: RP-2014 Generational Mortality Table for Males and Females with improvement Scale MP-2017 June 30, 2017: RP-2014 Generational Mortality Table for Males and Females with improvement Scale MP-2016 June 30, 2016: RP-2014 Generational Mortality Table for Males and Females with improvement Scale MP-2015 June 30, 2015: RP-2014 Generational Mortality Table for Males and Females with improvement Scale MP-2014 June 30, 2014: RP-2000 Combined Mortality Table (Generational)

Note: Information in this schedule is presented for the year in which information is available. Information will be added each year until a full 10-year trend is presented.

Metropolitan Nashville Airport Authority
Schedule of Investment Returns for Pension
Year Ended June 30 for Each of the Years Presented

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-w eighted rate of return, net of investment expense	-12.88%	21.63%	6.05%	6.20%	8.40%	13.04%	0.76%	4.04%	17.24%

Metropolitan Nashville Airport Authority
Schedule of Changes in Net OPEB Liability
Year Ended June 30 for Each of the Years Presented

	2022	2021	2020	2019	2018	2017
Total OPEB liability:						
Service cost	$ 505,251	$ 729,685	$ 838,087	$ 1,110,421	$ 1,287,152	$ 1,259,595
Interest	1,604,056	1,522,814	1,669,885	1,445,441	1,478,732	1,346,638
Differences between expected and actual experience	4,284,326	(1,243,929)	(2,752,567)	(2,713,939)	(2,340,217)	809,991
Changes of assumptions	(237,239)	(2,867,444)	387,506	(1,225,616)	-	1,205,435
Benefit payments	(1,638,721)	(2,975,921)	(1,082,284)	(1,081,219)	(1,346,874)	(1,191,983)
Net change in total OPEB liability	4,517,673	(4,834,795)	(939,373)	(2,464,912)	(921,207)	3,429,676
Total OPEB liability - beginning	27,867,731	32,702,526	33,641,899	36,106,811	37,028,018	33,598,342
Total OPEB liability - ending (a)	32,385,404	27,867,731	32,702,526	33,641,899	36,106,811	37,028,018
Plan fiduciary net position:						
Contributions - employer	-	3,202,541	5,532,284	3,081,219	10,195,977	$ 7,983,073
Net investment (loss) income	(5,932,472)	9,514,314	1,380,131	1,595,233	1,204,489	1,016,930
Benefit payments	(1,638,721)	(2,975,921)	(1,082,284)	(1,081,219)	(1,346,874)	(1,191,983)
Administrative expenses	(85,711)	(66,595)	(59,148)	(52,660)	(31,165)	(18,854)
Net change in plan fiduciary net position	(7,656,904)	9,674,339	5,770,983	3,542,573	10,022,427	7,789,166
Plan fiduciary net position - beginning	44,299,417	34,625,078	28,854,095	25,311,522	15,289,095	7,499,929
Plan fiduciary net position - ending (b)	36,642,513	44,299,417	34,625,078	28,854,095	25,311,522	15,289,095
Authority's net OPEB liability (asset) - ending (a) - (b)	$ (4,257,109)	$ (16,431,686)	$ (1,922,552)	$ 4,787,804	$ 10,795,289	$ 21,738,923
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	113.1%	159.0%	105.9%	85.8%	70.1%	41.3%
Covered-employee payroll	$ 7,062,037	$ 7,881,945	$ 10,303,336	$ 9,777,169	$ 11,523,443	$ 16,792,985
Net OPEB liability (asset) as a percentage of covered-employee payroll	-60.3%	-208.5%	-18.7%	49.0%	93.7%	129.5%

Metropolitan Nashville Airport Authority
Schedule of OPEB Contributions
Year Ended June 30 for Each of the Years Presented

	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	$ -	$ 605,418	$ 1,200,138	$ 1,911,323	$ 3,167,615	$ -
Contributions in relation to the actuarially determined contribution	-	3,202,542	5,532,284	3,081,219	10,195,977	7,983,073
Contribution deficiency (excess)	$ -	$ (2,597,124)	$ (4,332,146)	$ (1,169,896)	$ (7,028,362)	$ (7,983,073)
Covered-employee payroll	$ 7,062,037	$ 7,881,945	$ 10,303,336	$ 9,777,169	$ 10,678,528	$ 11,523,443
Contributions as a percentage covered-employee payroll	0.0%	40.6%	53.7%	31.5%	95.5%	69.3%

Notes to Schedule of Changes in the Net OPEB Liability (Asset) and Schedule of OPEB Contributions

Actuarially determined contribution rates for each year presented in the Schedule of OPEB Contributions are based on an actuarial valuation performed as of the first day of each year for which the contributions relate. Methods and assumptions used to determine the contribution rate for the June 30, 2021 actuarially determined contribution are below. For each year presented in the Schedule of Changes in Net OPEB Liability (Asset), assumption changes relate to an annual update of the mortality table, as noted below:

Actuarial valuation method	Entry age normal method
Discount rate	6% per annum
Health care cost trend rate	The following health care trends were used for the year presented: June 30, 2022: 6.00% graded down using the Getzen 2022 model June 30, 2021: 6.25% graded down using the Getzen 2021 model June 30, 2020: 7.25% graded down using the Getzen 2020 model June 30, 2019: 7.25% graded down using the Getzen 2019 model June 30, 2018: 7.50% graded down using the Getzen model June 30, 2017: 7.75% graded down using the Getzen model
Dental and vision rate	5%
Retirement rates	Varying rates beginning with 5% at age 50 and 100% retirement at age 65.
Mortality	The 2022 actuarially determined contribution was based on the RP-2014 Generational Mortality Table for Males and Females with Improvement Scale MP-2021. Assumption changes in the Schedule of Changes in Net OPEB Liability (Asset) relate to a change in the mortality tables used for each year presented, as follows: June 30, 2022: RP-2014 Generational Mortality Table for Males and Females with Improvement Scale MP-2021 June 30, 2021: RP-2014 Generational Mortality Table for Males and Females with Improvement Scale MP-2020 June 30, 2020: RP-2014 Generational Mortality Table for Males and Females with Improvement Scale MP-2019 June 30, 2019: RP-2014 Generational Mortality Table for Males and Females with improvement Scale MP-2018 June 30, 2018: RP-2014 Generational Mortality Table for Males and Females with improvement Scale MP-2017 June 30, 2017: RP-2014 Generational Mortality Table for Males and Females with improvement Scale MP-2016

Note: Information in this schedule is presented for the year in which information is available. Information will be added each year until a full 10-year trend is presented.

Metropolitan Nashville Airport Authority
Schedule of Investment Returns for OPEB
Year Ended June 30 for Each of the Years Presented

	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	-13.64%	27.54%	4.79%	6.31%	7.53%	13.02%

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This section contains the following subsections:

Metropolitan Nashville Airport Authority
Combining Schedule of Net Position Information by Entity
June 30, 2022

	Nashville International Airport (1)	John C. Tune Airport	MNAA Properties Corporation (1)	Total
ASSETS				
Current assets:				
Unrestricted assets:				
Cash, cash equivalents, and investments	$ 456,741,178	$ 3,124,429	$ 9,132,136	$ 468,997,743
Accounts receivable, net	13,135,340	13,169	237,875	13,386,384
Lease receivables	7,982,787	6,200	2,852,482	10,841,469
Due from governmental agencies	631,064	4,405,641	-	5,036,705
Inventories	-	-	-	-
Due from (to) other funds	12,434	1,714	(14,148)	-
Prepaid expenses and other	1,682,347	-	65,610	1,747,957
Total current unrestricted assets	480,185,150	7,551,153	12,273,955	500,010,258
Restricted assets:				
Cash and investments	334,637,897	-	-	334,637,897
Accounts receivable	736,388	-	-	736,388
Noncurrent assets:				
Capital assets:				
Capital assets not being depreciated				
Land and nondepreciable assets	104,697,800	3,214,304	200,817	108,112,921
Construction in progress	447,525,053	671,002	-	448,196,055
Capital assets being depreciated				
Buildings and building improvements	709,135,053	41,669,012	13,764,903	764,568,968
Equipment, furnitures, and fixtures	387,431,450	4,055,324	1,655,190	393,141,964
Infrastructure	635,844,670	57,825,711	-	693,670,381
Total capital assets	2,284,634,026	107,435,353	15,620,910	2,407,690,289
Less accumulated depreciation	(758,632,959)	(26,553,525)	(10,075,595)	(795,262,079)
Net capital assets	1,526,001,067	80,881,828	5,545,315	1,612,428,210
Other assets:				
Accounts receivable, net	1,110,000	-	-	1,110,000
Lease receivables	89,416,723	50,670	9,672,040	99,139,433
Prepaid and deposits	85,566	-	-	85,566
Net OPEB asset	4,257,108	-	-	4,257,108
Total noncurrent assets	1,956,244,749	80,932,498	15,217,355	2,052,394,602
Total assets	$ 2,436,429,899	$ 88,483,651	$ 27,491,310	$ 2,552,404,860
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows from OPEB	$ 1,999,656	$ -	$ -	$ 1,999,656
Deferred outflows from pension	6,473,537	-	-	$ 6,473,537
Deferred amount on refunding	2,162,686	-	-	2,162,686
Total deferred outflows of resources	$ 10,635,879	$ -	$ -	$ 10,635,879

(1) The financial information of MPC CONRAC LLC is included in Nashville International Airport as the sole purpose of MPC CONRAC LLC relates to the CONRAC facility at Nashville International Airport; therefore, it is integrated with the Airport for reporting purposes.

Metropolitan Nashville Airport Authority
Combining Schedule of Net Position Information by Entity
June 30, 2022

	Nashville International Airport (1)	John C. Tune Airport	MNAA Properties Corporation (1)	Total
LIABILITIES				
Current liabilities:				
Payable from unrestricted assets:				
Accounts payable	$ 71,936,221	$ 4,123,021	$ 84,330	$ 76,143,572
Accrued payroll and related items	5,991,004	74,679	-	6,065,683
Advanced billings and payments received in advance	3,655,704	62,221	204,888	3,922,813
Current maturities of notes payable	453,087	-	-	453,087
Accrued interest payable	136,710	-	-	136,710
Total current liabilities	82,172,726	4,259,921	289,218	86,721,865
Noncurrent liabilities:				
Payable from restricted assets:				
Accrued interest payable	27,404,329	-	-	27,404,329
Current maturities of airport revenue bonds	8,212,780	-	-	8,212,780
Notes payable, less current maturities	99,555,535	-	-	99,555,535
Net pension liability	5,633,292	-	-	5,633,292
Airport revenue bonds, less current maturities	1,329,931,889	-	-	1,329,931,889
Total noncurrent liabilities	1,470,737,825	-	-	1,470,737,825
Total liabilities	$ 1,552,910,551	$ 4,259,921	$ 289,218	$ 1,557,459,690
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows from pensions	$ -	$ -	$ -	$ -
Deferred inflows from leases	94,760,065	56,478	12,337,016	107,153,559
Deferred inflows from OPEB	-	-	-	-
Total deferred inflows of resources	$ 94,760,065	$ 56,478	$ 12,337,016	$ 107,153,559
NET POSITION				
Net investment in capital assets	$ 277,282,462	$ 80,881,828	$ 5,545,315	$ 363,709,605
Restricted for:				
Capital projects	53,034,524	-	-	53,034,524
Debt service	241,070,683	-	-	241,070,683
Operations	40,886,755	-	-	40,886,755
Net pension asset	840,245	-	-	840,245
Net OPEB asset	6,256,764	-	-	6,256,764
Unrestricted net position	180,023,729	3,285,424	9,319,761	192,628,914
Total net position	$ 799,395,162	$ 84,167,252	$ 14,865,076	$ 898,427,490

(1) The financial information of MPC CONRAC LLC is included in Nashville International Airport as the sole purpose of MPC CONRAC LLC relates to the CONRAC facility at Nashville International Airport; therefore, it is integrated with the Airport for reporting purposes.

Metropolitan Nashville Airport Authority
Combining Schedule of Revenues, Expenses and Changes in Net Position Information by Entity
For the Year Ended June 30, 2022

	Nashville International Airport (1)	John C. Tune Airport	MNAA Properties Corporation (1)	Total
Operating revenues:				
Signatory airline	$ 54,395,946	$ -	$ -	$ 54,395,946
Parking	76,135,079	-	-	76,135,079
Concession	50,155,481	-	-	50,155,481
Space rental	15,649,849	793,743	3,698,793	20,142,385
Other	9,065,506	190,724	143,743	9,399,973
Total operating revenue	205,401,861	984,467	3,842,536	210,228,864
Operating expenses:				
Salaries, w ages and fringe benefits	37,111,376	551,987	-	37,663,363
Contractual services	50,481,567	710,509	467,626	51,659,702
Materials and supplies	4,774,968	59,156	23,695	4,857,819
Utilities	6,472,434	66,401	463,184	7,002,019
Insurance	2,066,603	58,562	23,173	2,148,338
Other	9,270,581	20,630	343,173	9,634,384
Depreciation	75,713,931	2,884,342	675,438	79,273,711
Total operating expenses	185,891,460	4,351,587	1,996,289	192,239,336
Operating income	19,510,401	(3,367,120)	1,846,247	17,989,528
Nonoperating revenues (expenses):				
Investment loss	(4,934,362)	4,936	172,990	(4,756,436)
Passenger facility charges	35,678,032	-	-	35,678,032
Customer facility charges	12,939,489	-	-	12,939,489
Federal and state grants	25,587,287	906,572	-	26,493,859
Insurance reimbursement	1,468,370	383,214	-	1,851,584
Gain on disposal of assets	67,615	-	-	67,615
Interest expense	(50,107,131)	-	-	(50,107,131)
Bond issuance cost	(61,588)	-	-	(61,588)
	20,637,712	1,294,722	172,990	22,105,424
Income before capital contributions and transfers	40,148,113	(2,072,398)	2,019,237	40,094,952
Transfers	(464,004)	464,004	-	-
Capital contributions	317,550	29,445,286	-	29,762,836
Increase in net position	40,001,659	27,836,892	2,019,237	69,857,788
Net position - beginning of year	759,393,503	56,330,360	12,845,839	828,569,702
Net position - end of year	$ 799,395,162	$ 84,167,252	$ 14,865,076	$ 898,427,490

(1) The financial information of MPC CONRAC LLC is included in Nashville International Airport as the sole purpose of MPC CONRAC LLC relates to the CONRAC facility at Nashville International Airport; therefore, it is integrated w ith the Airport for reporting purposes.

	Other Post-Employment Benefit Trust Fund	Pension Benefit Trust Fund	Total
ASSETS			
Cash and cash equivalents	$ 1,022,093	$ 2,435,630	$ 3,457,723
Investments, at fair value:			
Pooled, common and collective funds	-	59,556,334	59,556,334
Mutual funds	35,620,420	14,422,280	50,042,700
Total assets	36,642,513	76,414,244	113,056,757
NET POSITION			
Restricted for:			
OPEB	36,642,513	-	36,642,513
Pension	-	76,414,244	76,414,244
Total net position	$ 36,642,513	$ 76,414,244	$ 113,056,757

Metropolitan Nashville Airport Authority
Combining Schedule of Changes in Fiduciary Net Position Information by Entity
For the Year Ended June 30, 2022

	Other Post-Employment Benefit Trust Fund	Pension Benefit Trust Fund	Total
Additions:			
Employer contributions	$ -	$ 250,000	$ 250,000
Investment income			
Net depreciation in fair value	(5,932,472)	(11,898,033)	(17,830,505)
Interest and dividends	-	259,524	259,524
Investment expenses	-	(181,955)	(181,955)
Investment loss, net	(5,932,472)	(11,820,464)	(17,752,936)
Total additions	(5,932,472)	(11,570,464)	(17,502,936)
Deductions:			
Benefits paid to participants	1,638,721	4,541,435	6,180,156
Administrative expenses	85,711	-	85,711
Total deductions	1,724,432	4,541,435	6,265,867
Change in net position	(7,656,904)	(16,111,899)	(23,768,803)
Net position - beginning of year	44,299,417	92,526,143	136,825,560
Net position - end of year	$ 36,642,513	$ 76,414,244	$ 113,056,757

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Metropolitan Nashville Airport Authority
Schedule of Airport Revenue Bonds, Principal, and Interest Requirements by Fiscal Year
June 30, 2022

Year Ending June 30,	Series 2003B Revenue Bonds		CONRAC Refunding Revenue Bonds		Series 2015A Revenue Bonds		Series 2015B Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	680,000	782,283	3,132,780	784,265	2,005,000	4,064,100	2,395,000	4,772,344
2024	720,000	688,290	3,240,775	674,395	2,085,000	3,982,300	2,515,000	4,649,594
2025	760,000	594,297	3,350,795	562,462	2,170,000	3,897,200	2,640,000	4,520,719
2026	805,000	594,297	3,468,000	443,220	2,255,000	3,808,700	2,775,000	4,399,219
2027	855,000	594,297	3,587,550	321,593	2,350,000	3,716,600	2,885,000	4,271,594
2028	905,000	594,297	3,711,220	195,773	2,440,000	3,620,800	3,030,000	4,123,716
2029	960,000	594,297	3,838,790	65,985	2,540,000	3,508,500	3,180,000	3,968,469
2030	1,015,000	594,297	-	-	2,665,000	3,378,375	3,340,000	3,805,469
2031	1,075,000	594,297	-	-	2,800,000	3,241,750	3,505,000	3,634,344
2032	1,140,000	594,297	-	-	2,940,000	3,098,250	3,680,000	3,454,719
2033	1,210,000	594,297	-	-	3,085,000	2,947,625	3,865,000	3,266,092
2034	1,280,000	297,148	-	-	3,240,000	2,789,500	4,060,000	3,067,969
2035	-	-	-	-	3,405,000	2,623,375	4,260,000	2,859,969
2036	-	-	-	-	3,575,000	2,448,875	4,475,000	2,641,594
2037	-	-	-	-	3,750,000	2,359,500	4,255,000	2,529,719
2038	-	-	-	-	3,940,000	2,359,500	4,470,000	2,529,719
2039	-	-	-	-	4,135,000	2,359,500	4,695,000	2,529,719
2040	-	-	-	-	4,345,000	2,359,500	4,930,000	2,529,719
2041	-	-	-	-	4,560,000	1,841,250	5,175,000	1,941,593
2042	-	-	-	-	4,790,000	1,323,000	5,435,000	1,353,470
2043	-	-	-	-	5,025,000	1,323,000	5,705,000	1,353,466
2044	-	-	-	-	5,280,000	1,323,000	5,990,000	925,220
2045	-	-	-	-	5,545,000	1,323,000	6,290,000	496,970
2046	-	-	-	-	5,820,000	661,500	6,535,000	248,485
2047	-	-	-	-	-	-	-	-
2048	-	-	-	-	-	-	-	-
2049	-	-	-	-	-	-	-	-
2050	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-
2054	-	-	-	-	-	-	-	-
	$ 11,405,000	$ 7,116,394	$ 24,329,910	$ 3,047,693	$ 84,745,000	$ 64,358,700	$ 100,085,000	$ 69,873,891
Bond Premium	-	-	-	-	10,602,058	-	9,758,702	-
	$ 11,405,000	$ 7,116,394	$ 24,329,910	$ 3,047,693	$ 95,347,058	$ 64,358,700	$ 109,843,702	$ 69,873,891

Metropolitan Nashville Airport Authority
Schedule of Airport Revenue Bonds, Principal, and Interest Requirements by Fiscal Year
June 30, 2022

Subordinate Series 2019A Revenue Bonds		Subordinate Series 2019B Revenue Bonds		Total Debt Service		
Principal	Interest	Principal	Interest	Principal	Interest	Total
-	12,221,750	-	32,132,500	8,212,780	54,757,242	62,970,022
-	12,221,750	-	32,132,500	8,560,775	54,348,829	62,909,604
2,965,000	12,221,750	7,920,000	32,132,500	19,805,795	53,928,928	73,734,723
3,120,000	12,073,500	8,315,000	31,736,500	20,738,000	53,055,436	73,793,436
3,270,000	11,917,500	8,735,000	31,320,750	21,682,550	52,142,334	73,824,884
3,430,000	11,754,000	9,170,000	30,884,000	22,686,220	51,172,586	73,858,806
3,600,000	11,582,500	9,625,000	30,425,500	23,743,790	50,145,251	73,889,041
3,790,000	11,402,500	10,110,000	29,944,250	20,920,000	49,124,891	70,044,891
3,970,000	11,213,000	10,610,000	29,438,750	21,960,000	48,122,141	70,082,141
4,175,000	11,014,500	11,145,000	28,908,250	23,080,000	47,070,016	70,150,016
4,380,000	10,805,750	11,700,000	28,351,000	24,240,000	45,964,764	70,204,764
5,000,000	10,586,750	13,240,000	27,766,000	26,820,000	44,507,367	71,327,367
5,245,000	10,336,750	13,905,000	27,104,000	26,815,000	42,924,094	69,739,094
5,640,000	10,074,500	14,920,000	26,408,750	28,610,000	41,573,719	70,183,719
5,920,000	9,792,500	15,655,000	25,662,750	29,580,000	40,344,469	69,924,469
6,210,000	9,496,500	16,445,000	24,880,000	31,065,000	39,265,719	70,330,719
6,530,000	9,186,000	17,260,000	24,057,750	32,620,000	38,132,969	70,752,969
6,855,000	8,859,500	18,130,000	23,194,750	34,260,000	36,943,469	71,203,469
7,195,000	8,516,750	19,040,000	22,288,250	35,970,000	34,587,843	70,557,843
7,555,000	8,157,000	19,990,000	21,336,250	37,770,000	32,169,720	69,939,720
7,935,000	7,779,250	20,985,000	20,336,750	39,650,000	30,792,466	70,442,466
8,330,000	7,382,500	22,030,000	19,287,500	41,630,000	28,918,220	70,548,220
8,750,000	6,966,000	23,130,000	18,186,000	43,715,000	26,971,970	70,686,970
12,940,000	6,560,550	33,340,000	17,095,100	58,635,000	24,565,635	83,200,635
13,535,000	5,964,150	34,900,000	15,528,900	48,435,000	21,493,050	69,928,050
14,165,000	5,340,550	36,540,000	13,889,750	50,705,000	19,230,300	69,935,300
14,810,000	4,688,050	38,260,000	12,173,800	53,070,000	16,861,850	69,931,850
15,500,000	4,006,000	40,045,000	10,377,500	55,545,000	14,383,500	69,928,500
16,225,000	3,276,200	41,940,000	8,488,400	58,165,000	11,764,600	69,929,600
16,990,000	2,512,450	43,915,000	6,510,100	60,905,000	9,022,550	69,927,550
17,785,000	1,712,850	45,995,000	4,439,100	63,780,000	6,151,950	69,931,950
18,620,000	875,950	48,155,000	2,270,300	66,775,000	3,146,250	69,921,250
$ 254,435,000	$ 270,499,250	$ 665,150,000	$ 708,688,200	$ 1,140,149,910	$ 1,123,584,128	$ 2,263,734,038
52,859,369	-	124,774,630	-	197,994,759	-	197,994,759
$ 307,294,369	$ 270,499,250	$ 789,924,630	$ 708,688,200	$ 1,338,144,669	$ 1,123,584,128	$ 2,461,728,797

Metropolitan Nashville Airport Authority
Schedule of Changes in Long-term Debt by Individual Issue
June 30, 2022

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 1, 2021	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding June 30, 2022
Nashville International Airport									
NOTES PAYABLE									
Payable through General Fund									
Energy Loan Phase II	$ 2,777,500	1.85%	12/1/2012	11/30/2023	$ 522,745	$ -	$ (367,573)	$ -	$ 155,172
Geothermal Loan	4,300,000	2.78%	7/1/2015	6/30/2031	3,182,759	-	(292,459)	-	2,890,300
Total Notes Payable through General Fund					$ 3,705,504	$ -	$ (660,032)	$ -	$ 3,045,472
BONDS PAYABLE									
Payable through General Fund									
General Airport Revenue Bond, Series 2003B	$ 19,585,000	5.49 to 5.94%	11/1/2003	7/1/2033	$ 12,050,000	$ -	$ (645,000)	$ -	$ 11,405,000
General Airport Revenue Bond, Series 2015A	91,855,000	4.0 to 5.0%	12/1/2015	7/1/2045	86,655,000	-	(1,910,000)	-	84,745,000
General Airport Revenue Bond, Series 2015B	108,145,000	4.0 to 5.0%	12/1/2015	7/1/2045	102,365,000	-	(2,280,000)	-	100,085,000
Subordinate, General Airport Revenue Bond, Series 2019A	254,435,000	4.0 to 5.0%	12/17/2019	7/1/2054	254,435,000	-	-	-	254,435,000
Subordinate, General Airport Revenue Bond, Series 2019B	665,150,000	4.0 to 5.0%	12/17/2019	7/1/2054	665,150,000	-	-	-	665,150,000
Total Bonds Payable through General Fund					$ 1,120,655,000	$ -	$ (4,835,000)	$ -	$ 1,115,820,000
Payable through Customer Facility Charges									
CONRAC, Series 2018	$ 27,358,295	3.40%	5/1/2018	7/1/2028	$ 27,358,295	-	(3,028,385)	-	$ 24,329,910
Total Bonds Payable through Customer Facility Charges					$ 27,358,295	$ -	$ (3,028,385)	$ -	$ 24,329,910

This part of the Authority's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplemental information says about the government's overall financial health.

Financial Trends
These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time (schedules on pages 104, 107, and 108)

Revenue Capacity
These schedules contain information to help the reader assess the Authority's most significant revenue sources (schedules on pages 105, 106, 110, and 111)

Debt Capacity
These schedules present information to help the reader assess the affordability of the Authority's current levels of outstanding debt and its ability to issue additional debt in the future (schedules on pages 107 and 109)

Demographic and Economic Information
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place (schedules on pages 112, 113, and 114)

Operating Information
These schedules contain service data to help the reader understand how the information in the Authority's financial report relates to the services it provides and the activities it performs (schedule on page 113)

Metropolitan Nashville Airport Authority Change in Net Position
As of June 30 for Each of the Years Presented

	2022	2021	2020	2019	2018	(as restated) 2017	(as restated) 2016	2015	(as restated) 2014	(as restated) 2013
Operating Revenues:										
Signatory airline	$ 54,395,946	$ 47,495,370	$ 46,012,326	$ 55,264,548	$ 48,091,521	$ 30,671,634	$ 30,561,053	$ 39,414,175	$ 37,026,998	$ 29,373,222
Parking	76,135,079	27,116,496	41,735,515	53,153,828	50,369,200	43,977,208	41,889,907	38,725,346	36,258,325	34,020,205
Concession	50,155,481	27,024,842	31,730,323	37,203,600	33,498,728	29,338,439	25,453,862	22,873,310	21,520,372	19,490,760
Space rental	20,142,385	15,469,797	14,918,277	16,885,811	16,648,433	15,121,337	12,324,959	11,989,094	11,045,009	10,308,115
Other	9,399,973	11,513,054	9,522,197	7,524,807	5,871,735	8,987,603	5,959,737	5,993,198	6,278,417	6,599,423
Total Operating Revenues	**210,228,864**	**128,619,559**	**143,918,638**	**170,032,594**	**154,479,617**	**128,096,221**	**116,189,518**	**118,995,123**	**112,129,121**	**99,791,725**
Operating Expenses:										
Salaries, wages, and fringe benefits	37,663,363	25,133,488	36,981,912	38,469,934	32,879,302	33,862,254	34,666,038	32,019,144	30,602,436	32,118,328
Contractual services	51,659,702	35,011,863	42,218,732	41,434,039	36,801,980	28,610,678	26,270,995	25,962,137	27,886,714	24,783,144
Materials and supplies	4,857,819	3,674,419	4,544,743	4,046,799	3,840,490	3,509,520	3,374,113	3,987,451	4,132,884	3,436,780
Utilities	7,002,019	5,761,724	5,977,699	6,140,029	5,639,206	5,971,391	5,944,858	6,255,942	5,887,708	5,970,579
Insurance	2,148,338	1,913,299	1,442,491	1,336,036	-	-	-	-	-	-
Other	9,634,384	3,040,336	5,270,166	8,287,094	6,101,266	5,610,734	5,677,177	5,451,870	4,645,047	3,786,262
Total Operating Expenses	**112,965,625**	**74,535,129**	**96,435,743**	**99,713,931**	**85,262,244**	**77,564,577**	**75,933,181**	**73,676,544**	**73,154,789**	**70,095,093**
Provision for Depreciation	**79,273,711**	**53,383,630**	**49,768,473**	**44,497,442**	**39,914,221**	**38,979,958**	**37,223,834**	**36,534,617**	**35,773,468**	**35,648,323**
Nonoperating Revenues:										
Investment (loss) income	(4,756,436)	1,647,674	23,723,090	7,703,826	2,149,362	730,198	333,542	359,790	328,349	426,259
Passenger facility charges	35,678,032	20,253,069	26,384,555	31,416,941	28,300,013	25,982,494	23,735,979	15,703,411	13,502,385	13,262,426
Customer facility charges	12,939,489	8,365,388	11,827,674	15,094,273	14,290,386	13,561,430	12,956,481	11,692,265	10,825,490	10,307,062
Other nonoperating revenues	28,345,443	36,580,521	12,032,061	-	130,025	86,599	614,433	396,880	313,559	553,407
Total Nonoperating Revenues	**72,206,528**	**66,846,652**	**73,967,380**	**54,215,040**	**44,869,786**	**40,360,721**	**37,640,435**	**28,152,346**	**24,969,783**	**24,549,154**
Nonoperating Expenses:										
Debt-related expenses	50,168,719	49,322,732	37,994,910	13,267,265	10,262,472	10,299,910	8,874,244	7,610,829	9,000,146	10,231,288
Other nonoperating expenses	(67,615)	2,160,638	112,570	16,170,808	548,726	(461,510)	1,234,522	302,080	-	-
Total Nonoperating Expenses	**50,101,104**	**51,483,370**	**38,107,480**	**29,438,073**	**10,811,198**	**9,838,400**	**10,108,766**	**7,912,909**	**9,000,146**	**10,231,288**
Capital Contributions	**29,762,836**	**31,356,438**	**21,287,199**	**18,178,942**	**15,010,688**	**14,552,791**	**28,763,278**	**28,056,580**	**12,739,063**	**6,023,925**
Increase in Net Position	**69,857,788**	**47,420,520**	**54,861,521**	**68,777,130**	**78,372,428**	**56,626,798**	**59,327,450**	**57,079,979**	**31,909,564**	**14,390,100**
Total Net Position - End of Year	**$ 898,427,490**	**$ 828,569,702**	**$ 781,149,182**	**$ 726,287,661**	**$ 657,510,531**	**$ 579,138,103**	**$ 522,511,305**	**$ 463,183,855**	**$ 406,103,876**	**$ 374,194,312**

* Fiscal 2013 ending net position was restated in fiscal 2015 for the effects of the retrospective application of GASB Statement No. 68.
**Fiscal 2016 ending net position was restated in fiscal 2018 for the effects of the retrospective application of GASB Statement No. 75.

Source: Audited Financial Statements of the Metropolitan Nashville Airport Authority.

See accompanying independent auditor's report.

Nashville International Airport Cost per Enplaned Passenger (CPEP)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Signatory Airlines:										
Space and ramp fees	$ 33,821	$ 25,162	$ 25,268	$ 34,170	$ 28,288	$ 12,245	$ 11,399	$ 28,886	$ 27,027	$ 21,552
Landing fees	20,575	22,333	20,744	21,094	19,804	18,427	19,162	10,528	10,000	7,821
Total signatory revenue	54,396	47,495	46,012	55,264	48,092	30,672	30,561	39,414	37,027	29,373
Signatory enplaned (000s)	9,106	5,119	6,703	8,306	7,349	6,571	6,021	4,926	4,791	4,425
Cost per Signatory Enplaned	**$ 5.97**	**$ 9.28**	**$ 6.86**	**$ 6.65**	**$ 6.54**	**$ 4.67**	**$ 5.08**	**$ 8.00**	**$ 7.73**	**$ 6.64**
Non-signatory Airlines:										
Space and ramp fees	$ 1,314	$ 606	$ 866	$ 1,674	$ 1,108	$ 1,747	$ 502	$ 986	$ 1,156	$ 1,313
Landing fees	$ 859	$ 351	1,450	2,399	1,203	979	657	1,452	1,380	1,943
Total non-signatory revenue	2,173	957	2,316	4,073	2,311	2,726	1,159	2,438	2,536	3,256
Non-signatory enplaned (000s)	112	33	156	290	117	219	120	678	521	613
Cost per Non-signatory Enplaned	**$ 19.40**	**$ 29.00**	**$ 14.85**	**$ 14.04**	**$ 19.75**	**$ 12.45**	**$ 9.66**	**$ 3.60**	**$ 4.87**	**$ 5.31**
Summary Analysis:										
Total signatory & non-signatory revenue	$ 56,569	$ 48,452	$ 48,328	$ 59,337	$ 50,403	$ 33,398	$ 31,720	$ 41,852	$ 39,563	$ 32,629
Blended Cost per Enplaned	**$ 6.14**	**$ 9.40**	**$ 7.05**	**$ 6.90**	**$ 6.75**	**$ 4.92**	**$ 5.17**	**$ 7.47**	**$ 7.45**	**$ 6.48**
Operating revenues (BNA only)	$ 205,402	$ 124,523	$ 139,513	$ 165,926	$ 150,498	$ 124,093	$ 112,946	$ 115,755	$ 108,918	$ 96,693
Total enplaned (includes charters)	9,218	5,152	6,859	8,596	7,466	6,790	6,141	5,604	5,312	5,038
Operating Revenues per Enplaned	**$ 22.28**	**$ 24.17**	**$ 20.34**	**$ 19.30**	**$ 20.16**	**$ 18.28**	**$ 18.39**	**$ 20.66**	**$ 20.50**	**$ 19.19**

Source: Metropolitan Nashville Airport Authority Finance Department Records.

See accompanying independent auditor's report.

Metropolitan Nashville Airport Authority Operating Revenues Analysis - Activity Detail (000s)
Signatory & non-signatory rate history effective July 1 of each fiscal year (unless noted below).

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Signatory Rates:										
Landing fee	$ 2.04	$ 2.23	$ 2.52	$ 3.09	$ 3.21	$ 2.99	$ 3.25	$ 1.65	$ 1.69	$ 1.52
Ramp fees (see note below)	1.69	1.82	2.07	2.23	2.34	1.71	1.71	266.99	223.05	133.09
Main terminal	111.00	108.29	105.65	103.07	100.55	90.00	90.00	180.58	164.54	130.84
North concourse	111.00	108.29	105.65	103.07	100.55	90.00	90.00	112.07	79.11	62.55
South concourse	111.00	108.29	105.65	103.07	100.55	90.00	90.00	104.35	113.96	57.62

Per the airline agreement effective July 1, 2015 there is a flat fee for all terminal area rent per square foot. The methodology for ramp fees was previously charged per linear foot and under the agreement has been changed to per square foot. This resulted in the rate looking substantially smaller; the actual billed amount is not materially different.

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Non-signatory Rates:										
Landing fee	3.57	3.69	3.84	4.29	4.23	3.74	4.07	4.23	4.10	3.17
Per use fee (see note below)	5.00	5.44	3.38	4.30	3.55	3.51	3.66	N/A	N/A	N/A
Ramp (see note above)	2.11	2.28	2.59	2.79	2.93	2.14	2.14	397.15	349.31	327.15
Main terminal	138.75	135.36	132.06	128.84	125.69	112.50	112.50	312.16	294.36	271.07
North concourse	138.75	135.36	132.06	128.84	125.69	112.50	112.50	113.74	111.78	107.23
South concourse	138.75	135.36	132.06	128.84	125.69	112.50	112.50	121.36	121.11	114.82

Per the airline agreement effective July 1, 2015, the non-signatory airlines may be charged on a per use fee per departing seat. The per use fee covers the use of the ticket counter, baggage make up, baggage claim and gate usage.

Public Parking Analysis:

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Parking lot revenue (000)	$ 76,135	$ 27,116	$ 41,736	$ 53,154	$ 50,369	$ 43,977	$ 41,890	$ 38,725	$ 36,258	$ 34,020
Spaces available (actual)	13,943	13,968	13,377	11,169	11,172	12,203	14,041	12,811	12,811	12,811
Revenue per Space	**$ 5,460**	**$ 1,941**	**$ 3,120**	**$ 4,759**	**$ 4,509**	**$ 3,604**	**$ 2,983**	**$ 3,023**	**$ 2,830**	**$ 2,656**
Garages	4,789	4,814	4,192	2,201	2,318	2,369	2,369	2,369	2,369	2,369
Terminal Lot A	1,125	1,125	1,125	1,034	830	1,810	2,060	2,060	2,060	2,060
Economy Lot B	2,124	2,124	2,124	2,124	2,124	2,124	2,124	2,124	2,124	2,124
Economy Lot C	3,625	3,625	3,625	3,499	3,625	3,625	3,690	3,690	3,690	3,690
BNA Express	1,230	1,230	1,230	1,230	1,230	1,230	1,230	-	-	-
Valet	1,050	1,050	1,081	1,081	1,045	1,045	1,152	1,152	1,152	1,152
Overflow	-	-	-	-	-	-	1,416	1,416	1,416	1,416
Public Parking Spaces	13,943	13,968	13,377	11,169	11,172	12,203	14,041	12,811	12,811	12,811

Econony Lot B was closed for a portion of fiscal years 2020 and 2021.
Economy Lot C was closed for a portion of fiscal years 2020 and 2021.
BNA Express was in the last quarter of fiscal year 2020 and remains closed to incoming traffic. It is now used for Valet/Overflow parking as needed.

Source: Metropolitan Nashville Airport Authority Finance Department Records.

See accompanying independent auditor's report.

Metropolitan Nashville Airport Authority Schedule of Capital Assets
At June 30 for Each Year Presented

	2022	%	2021	2020	2019	2018	2017	2016	2015	2014	2013
Land and nondepreciable assets	$ 108,112,921	19.4%	$ 107,554,524	$ 105,115,818	$ 97,169,587	$ 97,169,587	$ 96,968,771	$ 96,968,770	$ 96,968,770	$ 96,992,465	$ 96,992,465
Construction in progress	448,196,055	80.6%	301,079,238	139,067,964	233,273,255	153,579,003	72,814,778	42,890,290	62,125,107	36,845,372	20,469,818
Total capital assets not being depreciated	556,308,976	100.0%	408,633,762	244,183,782	330,442,842	250,748,590	169,783,549	139,859,060	159,093,877	133,837,837	117,462,283
Infrastructure	693,670,381	37.5%	618,570,710	613,663,559	588,779,486	576,918,742	561,704,513	541,464,084	487,401,089	476,885,301	474,449,844
Buildings and building improvements	764,568,968	41.3%	718,298,100	841,349,251	422,874,974	315,970,461	298,911,276	264,629,088	258,305,083	255,460,891	254,508,281
Equipment, furniture and fixtures	393,141,964	21.2%	393,243,815	194,396,606	183,211,887	182,051,284	165,348,939	129,795,510	114,296,965	108,530,594	103,981,903
Total capital assets being depreciated	1,851,381,313	100.0%	1,730,112,625	1,649,409,416	1,194,866,347	1,074,940,487	1,025,964,728	935,888,682	860,003,137	840,876,786	832,940,028
Less accumulated depreciation	(795,262,079)	43.0%	(717,693,502)	(668,885,544)	(627,078,709)	(615,032,739)	(578,686,474)	(539,922,435)	(503,403,886)	(466,909,686)	(431,262,318)
Net Capital Assets	**$ 1,612,428,210**	**N/A**	**$ 1,421,052,885**	**$ 1,224,707,654**	**$ 898,230,480**	**$ 710,656,338**	**$ 617,061,803**	**$ 535,825,307**	**$ 515,693,128**	**$ 507,804,937**	**$ 519,139,993**

Ratios of Outstanding Revenue Bond Debt as a Percentage of Total Revenue Bond Debt
At June 30 for Each Year Presented

	2022	%	2021	2020	2019	2018	2017	2016	2015	2014	2013
Series 2003 PFC Revenue Bonds	-	N/A	-	-	-	-	-	-	-	-	-
Series 2003B Revenue Bonds	11,405,000	1.0%	12,050,000	13,235,000	13,235,000	14,785,000	14,785,000	14,785,000	15,250,000	15,695,000	16,115,000
Series 2008A Revenue Bonds	-	N/A	-	-	3,800,000	7,400,000	10,800,000	12,000,000	12,200,000	12,400,000	12,500,000
Series 2009A Revenue Bonds	-	N/A	-	-	7,970,000	12,160,000	16,180,000	20,040,000	23,755,000	27,310,000	30,765,000
Series 2010A Revenue Bonds	-	N/A	-	-	-	-	3,835,000	7,525,000	11,085,000	14,520,000	17,855,000
Series 2010 CONRAC Revenue Bonds	-	N/A	-	3,000,000	5,840,000	8,535,000	56,695,000	58,980,000	61,070,000	62,975,000	64,720,000
Series 2018 CONRAC Revenue Bonds	24,329,910	2.1%	27,358,295	27,358,295	27,358,295	27,358,295	-	-	-	-	-
Series 2010B Revenue Bonds	-	N/A	-	-	-	-	-	-	16,475,000	31,965,000	46,545,000
Series 2010C Revenue Bonds	-	N/A	-	-	-	-	-	1,740,000	4,340,000	7,145,000	10,155,000
Series 2015A Revenue Bonds	84,745,000	7.4%	86,655,000	88,475,000	90,205,000	91,855,000	91,855,000	91,855,000	-	-	-
Series 2015B Revenue Bonds	100,085,000	8.8%	102,365,000	104,535,000	106,615,000	108,145,000	108,145,000	108,145,000	-	-	-
Series 2019A Revenue Bonds	254,435,000	22.3%	254,435,000	254,435,000	-	-	-	-	-	-	-
Series 2019B Revenue Bonds	665,150,000	58.0%	665,150,000	665,150,000	-	-	-	-	-	-	-
Total Revenue Bonds	1,140,149,910	100.0%	1,148,013,295	1,156,188,295	255,023,295	270,238,295	302,295,000	315,070,000	144,175,000	172,010,000	198,655,000
Plus unamortized premium	197,994,759	N/A	204,345,671	210,686,583	23,016,511	24,158,916	25,296,995	26,648,869	787,902	2,207,486	3,627,071
Net Outstanding Debt	**$ 1,338,144,669**	**N/A**	**$ 1,352,358,966**	**$ 1,366,874,878**	**$ 278,039,806**	**$ 294,397,211**	**$ 327,591,995**	**$ 341,718,869**	**$ 144,962,902**	**$ 174,217,486**	**$ 202,282,071**
Enplanements	**9,217,710**	**N/A**	**5,151,658**	**6,858,395**	**8,596,307**	**7,466,332**	**6,790,099**	**6,141,092**	**5,604,148**	**5,312,021**	**5,037,975**
Net Outstanding Debt per Enplanement	**$ 145.17**	**N/A**	**$ 262.51**	**$ 199.30**	**$ 32.34**	**$ 39.43**	**$ 48.25**	**$ 55.65**	**$ 25.87**	**$ 32.80**	**$ 40.16**

Source: Metropolitan Nashville Airport Authority Finance Department Records.

See accompanying independent auditor's report.

Metropolitan Nashville Airport Authority Net Position Analysis (000s)
At June 30 for Each Year Presented

	2022	2021	2020	2019	2018	(as restated) 2017	(as restated) 2016	2015	(as restated) 2014	(as restated) 2013
Net Position:										
Net investment in capital assets	$ 363,710	$ 376,713	$ 397,961	$ 507,479	$ 502,945	$ 441,690	$ 419,177	$ 387,595	$ 342,148	$ 329,877
Restricted	342,088	315,174	307,948	154,036	80,172	80,759	70,955	56,559	65,801	60,319
Unrestricted net position (deficit)	192,629	136,683	75,240	64,772	74,394	56,689	32,379	19,030	(1,845)	10,581
Total	**$ 898,427**	**$ 828,570**	**$ 781,149**	**$ 726,287**	**$ 657,511**	**$ 579,138**	**$ 522,511**	**$ 463,184**	**$ 406,104**	**$ 400,777**

Source: Audited Financial Statements of the Metropolitan Nashville Airport Authority.

See accompanying independent auditor's report.

Nashville International Airport (Senior Debt)
Revenue Coverage (000s)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Operating Revenue	$ 205,402	$ 124,523	$ 139,513	$ 165,926	$ 150,498	$ 124,093	$ 112,946	$ 115,755	$ 108,918	$ 96,693
Less Operating Expenses (excludes depreciation)	(108,151)	(68,010)	(88,803)	(97,743)	(83,088)	(74,999)	(74,207)	(70,914)	(71,472)	(67,936)
Add Investment (Loss) Income	(4,934)	1,635	23,640	7,677	2,148	728	331	357	326	309
COVERAGE CASH FLOW	**$ 92,317**	**$ 58,148**	**$ 74,350**	**$ 75,860**	**$ 69,558**	**$ 49,822**	**$ 39,070**	**$ 45,198**	**$ 37,772**	**$ 29,066**
INTEREST	3,941	3,859	8,830	11,920	6,787	3,420	6,672	2,246	3,527	4,033
PRINCIPAL	2,204	1,900	3,513	6,072	7,325	3,915	3,430	19,740	18,940	18,110
TOTAL NET DEBT SERVICE	6,145	5,759	12,343	17,992	14,112	7,335	10,102	21,986	22,467	22,143
DEBT SERVICE COVERAGE	**1502.3%**	**1009.7%**	**602.4%**	**421.6%**	**492.9%**	**679.2%**	**386.8%**	**205.6%**	**168.1%**	**131.3%**

Nashville International Airport (Senior Subordinate Debt)
Revenue Coverage (000s)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Operating Revenue	$ 205,402	$ 124,523	$ 139,513	$ 165,926	$ 150,498	$ 124,093	$ 112,946	$ 115,755	$ 108,918	$ 96,693
Less Operating Expenses (excludes depreciation)	(108,151)	(68,010)	(88,803)	(97,743)	(83,088)	(74,999)	(74,207)	(70,914)	(71,472)	(67,936)
Add Investment Income	(4,934)	1,635	23,640	7,677	2,148	728	331	357	326	309
COVERAGE CASH FLOW	**$ 92,317**	**$ 58,148**	**$ 74,350**	**$ 75,860**	**$ 69,558**	**$ 49,822**	**$ 39,070**	**$ 45,198**	**$ 37,772**	**$ 29,066**
INTEREST	15,597	9,449	10,420	11,920	6,787	3,420	6,672	2,246	3,527	4,033
PRINCIPAL	2,204	1,900	4,026	6,072	7,325	3,915	3,430	19,740	18,940	18,110
TOTAL NET DEBT SERVICE	17,801	11,349	14,446	17,992	14,112	7,335	10,102	21,986	22,467	22,143
DEBT SERVICE COVERAGE	**518.6%**	**512.4%**	**514.7%**	**421.6%**	**492.9%**	**679.2%**	**386.8%**	**205.6%**	**168.1%**	**131.3%**

CFC - 2010 & 2018 CONRAC Revenue Coverage (000s)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Customer Facility Charges	$ 12,939	$ 8,365	$ 11,828	$ 15,094	$ 14,290	$ 13,561	$ 12,956	$ 11,692	$ 10,825	$ 10,307
Less Operating Expenses (excludes depreciation)	(3,045)	(1,715)	(1,607)	(1,681)	(1,537)	(1,585)	(1,500)	(1,475)	(138)	(692)
Add Investment Income	70	152	289	261	45	34	21	12	8	15
COVERAGE CASH FLOW	**$ 9,964**	**$ 6,802**	**$ 10,510**	**$ 13,674**	**$ 12,798**	**$ 12,010**	**$ 11,477**	**$ 10,229**	**$ 10,695**	**$ 9,630**
INTEREST	784	1,029	1,186	944	3,282	3,571	3,673	3,759	3,830	3,903
PRINCIPAL	3,133	3,000	2,840	2,695	20,802	2,480	2,285	2,090	1,905	1,745
TOTAL NET DEBT SERVICE	3,917	4,029	4,026	3,639	24,084	6,051	5,958	5,849	5,735	5,648
DEBT SERVICE COVERAGE	**254.4%**	**168.8%**	**261.1%**	**375.8%**	**53.1%**	**198.5%**	**192.6%**	**174.9%**	**186.5%**	**170.5%**

Net debt service is total debt service less PFC- and CARES-funded debt service, and Capitalized Interest.

Source: Metropolitan Nashville Airport Authority Finance Department Records.

See accompanying independent auditor's report.

Nashville International Airport Passenger Enplanements Market Share

	% of Total	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Signatory Airlines:											
Alaska Airlines	1.1%	102,762	64,928	87,807	115,960	87,309	58,533	41,233	-	-	-
Allegiant Air	2.7%	252,591	136,565	115,305	-	-	-	-	-	-	-
American Airlines (A)	16.0%	1,471,530	725,481	1,070,173	1,348,801	1,235,501	1,176,043	1,156,141	454,897	460,153	430,900
American Eagle (A)	0.0%	-	-	-	-	-	-	-	218,520	280,860	282,113
Continental Express d/b/a ExpressJet	0.0%	-	-	-	-	-	-	-	223,995	324,175	285,903
Delta Air Lines Inc. (B)	12.0%	1,105,082	503,867	971,443	1,278,183	1,138,922	988,137	926,454	623,480	552,169	444,584
Frontier Airlines	1.3%	118,912	73,885	126,000	177,341	146,184	9,979		81,596	94,385	89,549
JetBlue	1.6%	149,302	44,914	99,316	138,189	130,541	138,985	22,570	-	-	-
Southwest Airlines	53.7%	4,945,583	3,091,692	3,571,632	4,517,284	4,009,180	3,655,441	3,426,391	3,114,815	2,879,200	2,723,295
Spirit Airlines	2.9%	268,835	171,669	122,176	-	-	-	-	-	-	-
United Airlines (C)	7.5%	691,107	306,115	539,013	730,243	600,988	543,704	448,396	6,400	115	2,994
US Airways (A)	0.0%	-	-	-	-	-	-	-	202,656	200,169	165,577
Subtotal	98.8%	9,105,704	5,119,116	6,702,865	8,306,001	7,348,625	6,570,822	6,021,185	4,926,359	4,791,226	4,424,915

MNAA entered into a new agreement with the airlines beginning July 1, 2015. Only major carriers are Signatory and subsidiary carrier activity will be consolidated under the Signatory carrier beginning FY 2016. Some previously Non-Signatory carriers now fly consolidated under multiple Signatory carriers. American Affiliates (A); Delta Affiliates (B); United Affiliates (C).

	% of Total	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Non-signatory Airlines:											
Air Canada	0.1%	5,854	-	-	-	-	-	-	-	-	-
Air Canada d/b/a Jazz Air	0.2%	16,356	-	24,745	292	174	1,034	371	229	18,558	19,234
Air Georgian dba Air Canada	0.0%	-	-	8,549	45,204	44,229	42,739	29,589	26,056	4,542	-
Air Wisconsin (A)	0.0%	-	-	-	-	-	-	-	75,888	49,802	64,339
Allegiant Air	0.0%	-	-	-	80,170	6,136	-	-	-	-	-
British Airways	0.1%	11,577	-	32,684	43,289	8,671	-	-	-	-	-
Contour Airlines	0.2%	20,091	9,741	12,303	14,290	10,432	8,038	-	-	-	-
Delta/Chautauqua	0.0%	-	-	-	-	-	-	-	-	546	168
Frontier Airlines	0.0%	-	-	-	-	-	130,449	71,840	-	-	-
Mesa Airlines (A)	0.0%	-	-	-	-	-	-	-	43,348	47,608	70,822
Republic	0.0%	-	-	-	-	-	-	-	77,117	69,823	41,761
Sun Country	0.3%	25,007	16,868	-	-	-	-	-	-	-	-
Various/Trans State Airlines (A)	0.0%	-	-	-	-	-	-	-	26,324	-	25,962
United/Skywest (C)	0.0%	-	-	-	-	-	-	-	37,261	-	433
Westjet Airlines	0.2%	16,487	-	8,848	23,559	11,591	2,252	-	-	-	-
Westjet /Encore	0.0%	-	-	19,673	22,339	22,210	20,479	1,115	-	-	-
All others (includes Charters)	0.2%	16,634	5,933	48,728	61,163	14,264	14,286	16,992	391,566	329,916	390,341
Subtotal	1.2%	112,006	32,542	155,530	290,306	117,707	219,277	119,907	677,789	520,795	613,060
Total	**100.0%**	**9,217,710**	**5,151,658**	**6,858,395**	**8,596,307**	**7,466,332**	**6,790,099**	**6,141,092**	**5,604,148**	**5,312,021**	**5,037,975**

Source: Metropolitan Nashville Airport Authority Finance Department Records.

See accompanying independent auditor's report.

Nashville International Airport Passenger Airline Landed Weights (000's)

	% of Total	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Signatory Airline:											
Alaska Airlines	1.0%	100,654	93,408	104,358	129,001	99,354	55,390	43,248	-	-	-
Allegiant Air	3.0%	317,469	248,448	145,579	-	-	-	-	-	-	-
American Airlines (A)	16.2%	1,693,950	945,038	1,356,238	1,549,447	1,415,662	1,352,169	1,332,377	523,970	518,096	516,356
American Eagle (A)	0.0%	-	-	-	-	-	-	-	261,251	334,087	359,788
Continental Express d/b/a ExpressJet (B)	0.0%	-	-	-	-	-	-	-	219,248	325,905	295,511
Delta Air Lines Inc. (B)	12.1%	1,260,848	871,462	1,147,250	1,427,507	1,287,034	1,148,263	1,051,357	693,222	650,841	538,467
Frontier Airlines	1.1%	118,797	82,863	130,207	166,271	140,496	8,784	-	85,862	98,132	96,648
JetBlue	1.8%	183,497	71,669	126,152	156,958	147,967	152,321	23,986	-	-	-
Southwest Airlines	52.2%	5,456,214	4,463,892	4,564,368	4,947,577	4,391,669	4,065,313	3,807,965	3,600,935	3,468,480	3,343,472
Spirit Airlines	2.8%	288,542	201,041	167,604	-	-	-	-	-	-	-
United Airlines (C)	7.8%	813,331	442,277	707,738	859,945	683,646	614,443	485,586	15,306	1,887	4,976
US Airways (A)	0.0%	-	-	-	-	-	-	-	230,945	251,464	202,766
Subtotal	97.8%	10,233,302	7,420,098	8,449,494	9,236,706	8,165,828	7,396,683	6,744,519	5,630,739	5,648,892	5,357,984

MNAA entered into a new agreement with the airlines beginning July 1, 2015. Only major carriers are Signatory and subsidiary carrier activity will be consolidated under the Signatory carrier beginning FY 2016. Some previously Non-Signatory carriers now fly consolidated under multiple Signatory carriers. American Affiliates (A); Delta Affiliates (B); United Affiliates (C).

	% of Total	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Non-signatory Airlines:											
Air Canada	0.1%	9,204	-	-	-	-	-	-	-	-	-
Air Canada d/b/a Jazz Air	0.2%	20,752	-	32,799	1,840	2,752	2,987	2,583	2,111	25,304	33,760
Air Georgian dba Air Canada	0.0%	-	-	8,997	48,594	47,422	47,610	33,506	30,759	4,740	-
Air Wisconsin (A)	0.0%	-	-	-	-	-	-	-	85,865	55,225	72,662
Express Jet/Delta (B)	0.0%	-	-	-	-	-	-	-	57,364	83,788	88,227
British Airways	0.2%	25,200	-	85,225	101,865	15,960	-	-	-	-	-
Compass Airlines (B)	0.0%	-	-	-	-	-	-	-	2,296	24,437	47,283
Contour Airlines	0.5%	52,296	31,201	-	-	-	-	-	-	-	-
Delta, Midwest Connect	0.0%	-	-	-	-	-	-	-	85	4,617	3,077
Frontier Airlines	0.0%	-	-	-	-	-	126,550	70,424	-	-	-
Mesa Airlines	0.0%	-	-	-	-	-	-	-	45,879	48,918	75,699
Pinnacle/Endeavor Airlines	0.0%	-	-	-	-	-	-	-	107,398	117,366	116,432
Republic	0.0%	-	-	-	-	-	-	-	183,157	92,102	55,122
Trans States Airlines	0.0%	-	-	-	-	-	-	-	25,662	84	25,572
Sun Country	0.5%	51,273	34,377	-	-	-	-	-	-	-	-
SkyWest	0.0%	-	-	-	-	-	-	-	157,259	129,226	149,781
WestJet/Encore	0.2%	19,363	405	-	-	-	-	-	-	-	-
All Others (includes charters)	0.5%	49,861	29,048	175,116	262,979	102,944	94,068	46,700	124,323	82,701	114,095
Subtotal	2.2%	227,949	95,031	302,137	415,278	169,078	271,215	153,213	822,158	668,508	781,710
Total Passenger Carrier Weight (000s)	**100.0%**	**10,461,251**	**7,515,129**	**8,751,631**	**9,651,984**	**8,334,906**	**7,667,898**	**6,897,732**	**6,452,897**	**6,317,400**	**6,139,694**
Cargo & misc. carrier weight (000s)		582,109	354,109	276,583	300,413	305,994	285,758	305,642	304,279	300,986	261,389
Total Weight All Aircraft (000s)		**11,043,360**	**7,869,238**	**9,028,214**	**9,952,397**	**8,640,900**	**7,953,656**	**7,203,374**	**6,757,176**	**6,618,386**	**6,401,083**
% Passenger Carrier Weight		**95%**	**96%**	**97%**	**97%**	**96%**	**96%**	**96%**	**95%**	**95%**	**96%**

Differences between total gross landed weight summarized here and carrier-specific activity are attributable to adjustments made during the year. There continues to be charter activity at BNA. However, much of the supporting services are reported by airlines with their scheduled operating activity.

Source: Metropolitan Nashville Airport Authority Finance Department Records.

See accompanying independent auditor's report

Major Tenants at Nashville International Airport and John C. Tune Airport

Signatory Carriers:
Alaska Airlines
Allegiant Air
American Airlines (A)
Delta Air Lines (B)
Frontier Airlines
JetBlue
Southwest Airlines
Spirit Airlines
United Airlines (C)

Signatory Affiliate Carriers:*
Air Wisconsin (C)
Commutair (Multiple)
Endeavor Air (B)
Envoy (A)
ExpressJet (B)
GoJet Airlines (Multiple)
Mesa Airlines (A)
Republic Airways (Multiple)
SkyWest Airlines (Multiple)

Non-signatory Carriers:
Air Canada / Jazz Aviation
Air Georgian
Avelo Airlines
Boutique Air
Breeze Airways
British Airways
Cape Air
Contour Airlines
Flair Airlines
Sun Country
Swift Air
VivaAerobus
WestJet
WestJet Encore

Signatory Cargo Carriers:
Federal Express

Non-signatory Cargo Carriers:
Air Transport Int'l.
Airborne Express
Amazon Prime
Atlas Air
DHL
Kalitta Air
Mountain Air Cargo
Silkway West
Southern Air

Fixed-base Operators:
Atlantic Aviation
Signature Flight Support

Other Airport Tenants:
121 @ BNA
Above and Beyond
Aeronautical Radio / Rockwell Collins
Aircraft Services International
Airline Maint. Svcs
AMD Freight (terminated 12/2018)
Embraer Aircraft Maintenance
Federal Aviation Administration
Genesco, Inc
Graphic Ticket & Systems
Marisol
Metro Air Services
Metro Government of Nashville and Davidson County
Miller Transfer
Monell's at the Manor
Simino Electric
State of Tennessee
Swissport
TN Aeronautics Commission
TN Dept of Transportation
US Customs Border Patrol
US DEA
US Govt Weather Service
US Postal Service
Wilson Tire & Auto

Other Terminal Tenants:
In-Ter-Space Services dba Clear Channel Airports
Concourse Communications Nashville (Boingo Wireless)
Fraport Tennessee
Ready Credit Corporation
Smarte Carte
Van Vending Service
A&M Group
Air Ventures
Dalmation Creative Agency
Delaware North Companies Travel Hospitality Services
Fifth Third Bank
Heartland Hospitality
Hissho International dba Hissho Sushi
Hudson-Nash-F&B JV dba Hudson Nonstop
InMotion BNA-C
Lily Palmer Floral Design
Minute Suites BNA
MRG Nashville
Music City Benchmark Concessions
Music City Retailers (Hudson)
Nash Nails MRG
Nashville Gourmet Brands BNA Group dba Green Beans Coffee
NewZoom
Pyramids of Nashville, dba Pyramids Cafe
Smokey Mountain Provisions (Hudson)
Stellar DCA SLA Nashville
Time for a Shine
Transfare II LLC
Travelers Post USA LLC
Tricopian dba Fuel Rod
ASG Nashville
DNC BNA Partners
Host TRA Nashville FB III
Newslink of Nashville LLC
Ole Red Nashville Airport dba The Opry Shop
Ole Red Nashville Airport dba Ole Red
Tennessee F&B
TRNA Nashville

Vehicle Parking:
ABM Parking
LAZ Parking

Private Hangar Rentals:
Nashville Hangar
Owl Hill Holdings
SATA, Inc.
Skywest
The Martin Companies

Rental Car:
Avis
Advantage Car Rental
Budget
Dollar
Enterprise
Hertz
Thrifty
Payless
Vanguard (Alamo/National)
ZipCar
EZ Rent A Car

Ground Transportation:
Hotel Shuttles
Taxicab Companies
Limousine Companies
TNCs (Uber, Lyft)

Ground Handlers:
Airport Terminal Services (ATS)
Delta Global Services (DGS)
dnata
Dynair/Swissport
Menzies Aviation
PrimeFlight Aviation
Trego Dugan
United Ground Express (GSE)

Tenants at John C. Tune Airport:
Contour Flight Support dba/Corporate Flight Management
Helistar
Plane Hangar
Mid America Jet

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Metropolitan Nashville Airport Authority Staffing - Full-time Equivalents

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Administration	107.0	91.0	109.0	100.0	89.5	87.5	89.5	89.5	96.5	90.5
Engineering & Maintenance	105.0	107.0	113.0	98.5	72.0	75.0	72.0	72.0	76	72.5
Operations, Safety, Security	107.0	108.0	110.0	112.5	134	126.5	125.5	127.0	129	117.5
Total Authority Full-time Equivalents	**319.0**	**306.0**	**332.0**	**311.0**	**295.5**	**289.0**	**287.0**	**288.5**	**301.5**	**280.5**

Note: Staffing levels represent fulltime equivalents as of the last pay cycle of each fiscal year. MPC has no employees.

Nashville - Davidson - Murfreesboro Metropolitan Statistical Area Population

Year	Nashville MSA*	Tennessee	United States
1970	699,144	3,923,687	203,211,926
1980	850,505	4,591,120	226,545,805
1990	985,026	4,877,185	248,709,873
2000	1,231,311	5,689,283	281,421,906
2010	1,589,934	6,346,105	308,745,538
2020	2,118,223	6,910,840	331,449,281

* The Nashville MSA consists of Cannon, Cheatham, Davidson, Dickson, Hickman, Macon, Robertson, Rutherford, Smith, Sumner, Trousdale, Williamson and Wilson Counties.

Nashville Metropolitan Statistical Area* Average Unemployment Rate

Year	Nashville MSA	Tennessee	United States
2022	3.4%	3.3%	3.6%
2021	4.60%	4.9%	5.9%
2020	10.20%	9.60%	11.10%
2019	2.60%	3.40%	3.70%
2018	2.71%	3.45%	3.93%
2017	3.30%	4.20%	4.52%
2016	3.94%	5.07%	4.90%
2015	4.96%	6.17%	5.30%
2014	5.51%	6.97%	7.50%
2013	6.35%	7.85%	7.80%

*Nashville Metropolitan Statistical Area consists of Davidson, Murfreesboro and Franklin Tennessee.

Source: U.S Bureau of Labor Statistics (http://data.bls.gov)

Nashville Area Top 25 Employers* (Ranked by Number of Local Employees)

2022	Staff	Employer	Headquarters	2021	Staff
1	26,531	State of Tennessee	Nashville	2	26,733
2	25,095	Vanderbilt University Medical Center and Monroe Carroll Jr.	Nashville	1	28,300
3	14,700	HCA Healthcare, Inc.	Nashville	4	10,600
4	13,452	U.S. Government	Washington, DC	3	13,707
5	11,030	Metropolitan Nashville-Davidson County Public Schools	Nashville	6	10,281
6	11,000	Nissan North America, Inc.	Franklin	5	10,500
7	8,700	Metropolitan Government of Nashville and Davidson County	Nashville	8	8,700
8	8,335	Ascension Saint Thomas	Nashville	9	8,335
9	8,091	The Kroger Co.	Cincinnati, OH	10	7,813
10	7,047	Rutherford County Government and Board of Education	Murfreesboro	12	5,500
11	7,032	Williamson County Public Schools and County Government	Franklin	11	7,299
12	7,000	Amazon.com	Seattle, WA	13	5,000
13	5,774	Vanderbilt University	Nashville	7	8,822
14	5,000	Clarksville - Montgomery County School System	Clarksville	13	5,000
15	4,744	Community Health Systems, Inc.	Franklin	16	4,537
16	4,675	Sumner County Government and Public Schools	Gallatin	15	4,675
17	4,455	Western Express	Nashville	22	3,000
18	4,024	Asurion	Nashville	17	4,260
19	3,347	Belmont University	Nashville	N/A	N/A
20	3,028	National HealthCare Corporation	Murfreesboro	21	3,028
21	2,966	Bridgestone Americas Inc.	Nashville	18	4,110
22	2,845	Dollar General Corp.	Goodlettsville	23	2,671
23	2,600	United Healthcare	Minnetonka, MN	32	2,046
24	2,418	Wilson County Schools	Lebanon	20	2,418
25	2,349	Ingram Content Group	La Vergne	31	2,084

*Ranked by number of Middle Tennessee employees as of June 10, 2022 publication.
Source: Nashville Business Journal

Middle Tennessee Largest 25 Public Companies**

2021	2020	Employer	Headquarters
1	1	HCA Holdings, Inc.	Nashville
2	2	Dollar General Corporation	Goodlettsville
3	4	Tractor Supply Co.	Brentwood
4	3	Community Health Systems, Inc.	Franklin
5	5	Delek US Holdings, Inc.	Brentwood
6	N/A	Yellow Corp.	Nashville
7	9	Louisiana-Pacific Corporation	Nashville
8	N/A	Alliance Bernstein Holding	Nashville
9	8	Change Healthcare Inc.	Nashville
10	10	Cracker Barrel Old Country Store, Inc.	Lebanon
11	6	Brookdale Senior Living Co.	Brentwood
12	N/A	Kaiser Aluminum Group	Franklin
13	13	Genesco, Inc.	Nashville
14	7	Acadia Healthcare Co, Inc.	Franklin
15	12	Surgery Partners Inc.	Brentwood
16	11	CoreCivic Inc.	Brentwood
17	17	Clover Health Investments Corp.	Franklin
18	14	Pinnacle Financial Partners, Inc	Nashville
19	16	National HealthCare Corporation	Murfreesboro
20	22	Ryman Hospitality Properties	Nashville
21	N/A	Hire Right Holdings Corp.	Nashville
22	20	Delek Logistics Partners	Brentwood
23	18	SmileDirect Club	Nashville
24	19	FB Financial Corp.	Nashville
25	21	Kirkland's, Inc.	Brentwood

**Ranked by 2021 Revenue (Obtained October 3, 2022)
Source: Nashville Business Journal

This section contains the following subsection:

Annual Disclosure Report

INTRODUCTION

This Continuing Disclosure Section (this “Report”) has been prepared, and is being filed, by the Metropolitan Nashville Airport Authority (the "Authority") in connection with its annual continuing disclosure obligations for the Fiscal Year ended June 30, 2022, as an "obligated person" (as defined in Rule 15c2-12 of the Securities Exchange Commission (the "Rule") promulgated under the Securities and Exchange Act of 1934, as amended), as set forth in the continuing disclosure undertakings relating to: (a) the Outstanding Senior Bonds (as defined herein) and (b) the Outstanding Subordinate Bonds (as defined herein). This Report reflects certain annual financial information and operating data of the Authority reported as of June 30, 2022, except where expressly indicated otherwise. Unless otherwise defined herein, capitalized terms used in this Report shall have the meanings set forth in: (a) Resolution No. 91-09 adopted by the Board of Commissioners of the Authority (the “Board”) on August 15, 1991, as amended and supplemented from time to time (the "Senior Bond Resolution") (b) Resolution No. 2019-15 adopted by the Board on October 16, 2019 as amended and supplemented from time to time (the “Subordinate Bond Resolution”) and (c) the Official Statement, dated December 5, 2019 (the “2019 Official Statement”) relating to the Authority's $254,435,000 in aggregate principal amount of Subordinate Airport Revenue Bonds, Series 2019A (Non-AMT) and $665,150,000 in aggregate principal amount of Subordinate Airport Revenue Bonds, Series 2019B (AMT) (collectively, the "Series 2019 Subordinate Bonds"), which is available on the Electronic Municipal Market Access ("EMMA®") website operated by the Municipal Securities Rulemaking Board, at https://emma.msrb.org/ES1331139-ES1038445-ES1441477.pdf, as applicable. The Authority will file its Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2022 (the "2022 ACFR," which includes this Report) as the "2022 Annual Filing" on EMMA®, which can be accessed at http://emma.msrb.org.

COVID-19 Pandemic

For certain information regarding the impact of the COVID-19 pandemic on the Nashville International Airport (the “Airport”) and the financial results of the Authority during the fiscal year ended June 30, 2022 (“Fiscal Year 2022”), see “INTRODUCTORY SECTION – Letter of Transmittal – Authority Operations and Services – The Airline Industry” and “- Airport Activity” and “FINANCIAL SECTION – Management’s Discussion and Analysis (Unaudited) – Airport Activity Highlights,” “- Statement of Net Position,” “- Operating Revenues,” and “- Operating Expenses” in the 2022 ACFR.

Information regarding the COVID-19 pandemic and its effects evolves on a daily basis, rendering predictions difficult to make with and reasonable degree of certainty. Due to the evolving nature of the COVID-19 pandemic and the responses of governments, businesses and individuals to the COVID-19 pandemic, the Authority cannot predict, among other things: (a) the scope, duration or extent of the COVID-19 pandemic or any other outbreak or pandemic on : (i) the existing restrictions and warnings or any additional restrictions and warnings which may be imposed by local, state or federal governments, nor the timing of the relaxation or release of such restrictions and (ii) and additional restrictions and warnings imposed by local, state or federal governments may have on the operations of the Airport and the revenues and expenditures of the Authority; (b) the scope, duration or extent of the COVID-19 pandemic or any other outbreak or pandemic on the local, the state, national or global economy or the impact of such disruption on the operations of the Airport and the revenues and expenditures of the Authority; or (c) whether any of the foregoing may have a material adverse effect on the operations of the Airport and the revenues and expenditures of the Authority (collectively, the "Risk Factors").

Miscellaneous; Forward-Looking Statements

The 2022 ACFR is not, and nothing in it should be construed as, an offer, invitation or recommendation in respect of any of the Authority's debt or securities, or an offer, invitation or recommendation to sell, or a solicitation of an offer to buy of the Authority's debt in any jurisdiction. The matters discussed in the 2022 Annual Filing and all other documents issued by the Authority are for informational purposes only, and holders of the Authority's debt, potential investors and/or other interested parties should not rely on such information as their sole source of information about matters related to the Authority's debt or in making an investment decision with respect to the Authority's existing debt or securities or any other debt or securities which may be offered by the Authority. Neither the 2022 ACFR nor anything in it shall form the basis of any contract or commitment. By the filing of the 2022 ACFR, the Authority makes no recommendations and is not giving any investment advice as to any of the Authority's debt or securities. In no event shall the Authority be liable for any use by any party of, for any decision made or action taken by any party in reliance upon, or for any inaccuracies or errors in, or omissions from, the information contained herein and such information may not be relied upon in evaluating the merits of holding, purchasing or selling any of the Authority's debt or securities. The information contained in the 2022 ACFR, including any forecast financial information, if any, should not be considered as advice or a recommendation to holders and potential investors in relation to holding, purchasing or selling any such securities. Before acting on any information contained herein holders and potential investors should consider the appropriateness of the information having regard to these matters, any relevant offering document and in particular, holders and potential purchasers should seek independent financial and/or legal advice.

Certain of the information in the 2022 ACFR has been compiled from sources believed to be reliable, certain of which has not been independently verified. No representation or warranty, express or implied, is provided in relation to the fairness, accuracy, correctness, completeness or reliability of the information, opinions or conclusions contained or expressed herein.

The 2022 ACFR may contain "forward-looking" statements that involve risks, uncertainties, and assumptions. If the risks or uncertainties ever materialize or the assumptions prove incorrect, the results may differ materially from those expressed or implied by such forward looking statements. Accordingly, the Authority cautions holders and potential purchasers not to place undue reliance on these statements. All statements other than the statements of historical fact could be deemed forward-looking and should not be considered a comprehensive representation of the Authority's expected operational or financial performance. All opinions, estimates, projections, forecasts, and valuations are preliminary, indicative and are subject to change without notice.

The information in the 2022 ACFR is current as of the dates set forth herein, as applicable, and there may be events that have occurred or will occur subsequent to such dates that would have a material adverse effect on the operational or financial information that is presented herein and in the 2022 ACFR. The Authority has not undertaken any obligation to update any information in the 2022 Annual Filing. Any financial data and other information provided in the 2022 ACFR are not warranted as to completeness or accuracy and are subject to change without notice.

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SENIOR BONDS

Outstanding Senior Bonds

The following is the annual financial information and operating data required under the Authority's continuing disclosure undertakings with respect to the following Senior Bonds outstanding under the Senior Bond Resolution as of the date of this Report (the "Outstanding Senior Bonds"):

(a) $19,585,000 Metropolitan Nashville Airport Authority Airport Improvement Revenue Bonds, Series 2003B (Taxable) (the "Series 2003B Bonds");

(b) $91,855,000 Metropolitan Nashville Airport Authority Airport Improvement Revenue Bonds, Series 2015A (Non-AMT) (the "Series 2015A Bonds"); and

(c) $108,145,000 Metropolitan Nashville Airport Authority Airport Improvement Revenue Bonds, Series 2015B (AMT) (the "Series 2015B Bonds," and together with the Series 2015A Bonds, the "Series 2015 Bonds").

Enplaned Passenger Traffic

Annual Enplanement Activity. In connection with the Authority's continuing disclosure undertaking relating to the Series 2015 Bonds (the "2015 Bonds Undertaking"), the following table presents the annual enplanements at the Airport by Signatory Airlines, Non-Signatory Airlines, and all Airlines for the past ten Fiscal Years.

Nashville International Airport
Annual Enplanement Activity
Fiscal Years 2013 – 2022

Fiscal Year	Signatory Airlines	Non-Signatory Airlines	Total
2013	4,424,915	613,060	5,037,975
2014	4,791,226	520,795	5,312,021
2015	4,926,359	677,789	5,604,148
2016	6,021,185	119,907	6,141,092
2017	6,570,822	219,277	6,790,099
2018	7,348,625	117,707	7,466,332
2019	8,321,691	274,616	8,596,307
2020(1)	6,702,865	155,530	6,858,395
2021(1)	5,119,116	32,542	5,151,658
2022	9,105,704	112,006	9,217,710

(1) As a result of the COVID-19 pandemic, the disruption in aviation activity and passenger traffic had a significant effect on annual enplanement activity at the Airport in Fiscal Years 2020 and 2021.

Source: The Metropolitan Nashville Airport Authority (2022 ACFR).

Note: In the table entitled "Annual Enplanement Activity," the categorical descriptions of "Signatory Airlines" and "Non-Signatory Airlines" were entitled "Signatory Carriers" and "Non-Signatory Carriers," respectively, in the final official statement relating to the Series 2015 Bonds.

Monthly Enplanement Activity. In connection with the 2015 Bonds Undertaking, the following table presents the monthly enplanement activity at the Airport for the past five Fiscal Years.

Nashville International Airport
Monthly Enplanement Activity
Fiscal Years 2017 – 2022

	2018	2019	2020[(1)]	2021[(1)]	2022
July	646,817	718,555	828,530	309,036	840,374
August	612,464	700,457	790,318	304,939	758,751
September	571,939	676,187	762,322	330,652	717,418
October	654,334	771,444	875,797	390,250	832,185
November	618,454	702,094	751,439	356,369	768,303
December	592,972	668,960	765,328	372,093	750,314
January	505,103	585,863	657,466	292,625	522,163
February	508,395	584,876	668,237	272,301	597,977
March	653,938	755,200	383,512	492,249	786,068
April	647,145	747,058	31,510	549,615	807,445
May	723,266	844,443	102,325	705,456	920,938
June	731,505	841,170	241,611	776,073	915,774
Fiscal Year Totals	7,466,332	8,596,307	6,858,395	5,151,658	9,217,710

(1) As a result of the COVID-19 pandemic, the disruption in aviation activity and passenger traffic had a significant effect on monthly enplanement activity at the Airport in Fiscal Years 2020 and 2021.

Source: The Metropolitan Nashville Airport Authority.

Enplaned Passenger Market Share

In connection with the Authority's continuing disclosure undertaking relating to the Series 2003B Bonds (the "2003B Bonds Undertaking"), the 2015 Bonds Undertaking, and the 2019 Subordinate Bonds Undertaking (as defined herein), the following table presents enplaned passengers at the Airport by Signatory Airlines, Non-Signatory Airlines, and total enplaned passengers for the past five Fiscal Years with the associated market share for each Fiscal Year.

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Nashville International Airport
Enplaned Passenger Market Share[1]
Fiscal Years 2018 – 2022

	2018	% of Total	2019	% of Total	2020[4]	% of Total	2021[4]	% of Total	2022	% of Total
Signatory Airlines:										
Alaska Airlines	87,309	1.2%	115,960	1.3%	87,807	1.3%	64,928	1.3%	102,762	1.1%
Allegiant Air	-	-	-	-	115,305	1.7%	136,565	2.7%	252,591	2.7%
American Airlines[2]	1,235,501	16.5%	1,348,801	15.7%	1,070,173	15.6%	725,481	14.1%	1,471,530	16.0%
Delta Air Lines Inc.	1,138,922	15.3%	1,278,183	14.9%	971,443	14.2%	503,867	9.8%	1,105,082	12.0%
Frontier Airlines	146,184	2.0%	177,341	2.1%	126,000	1.8%	73,885	1.4%	118,912	1.3%
JetBlue	130,541	1.7%	138,189	1.6%	99,316	1.4%	44,914	0.9%	149,302	1.6%
Southw est Airlines	4,009,180	53.7%	4,517,284	52.5%	3,571,632	52.1%	3,091,692	60.0%	4,945,583	53.7%
Spirit Airlines	-	-	-	-	122,176	1.8%	171,669	3.3%	268,835	2.9%
United Airlines[3]	600,988	8.0%	730,243	8.5%	539,013	7.9%	306,115	5.9%	691,107	7.5%
Subtotal	7,348,625	98.4%	8,306,001	96.6%	6,702,865	97.8%	5,119,116	99.4%	9,105,704	98.8%

	2018	% of Total	2019	% of Total	2020[4]	% of Total	2021[4]	% of Total	2022	% of Total
Non-Signatory Airlines:										
Air Canada	-	-	-	-	-	-	-	-	5,854	0.1%
Air Canada d/b/a Jazz Air	174	0.0%	292	0.0%	24,745	0.4%	-	-	16,356	0.2%
Air Georgian dba Air Canada	44,229	0.6%	45,204	0.5%	8,549	0.1%	-	-	-	-
Allegiant Air	6,136	0.1%	80,170	0.9%	-	-	-	-	-	-
British Airw ays	8,671	0.1%	43,289	0.5%	32,684	0.5%	-	-	11,577	0.1%
Contour Airlines	10,432	0.1%	14,290	0.2%	12,303	0.2%	9,741	0.2%	20,091	0.2%
Frontier Airlines	-	-	-	-	-	-	-	-	-	-
Sun Country	-	-	-	-	-	-	16,868	0.3%	25,007	0.3%
Westjet Airlines	11,591	0.2%	23,559	0.3%	8,848	0.1%	-	-	16,487	0.2%
Westjet/Encore	22,210	0.3%	22,339	0.3%	19,673	0.3%	-	-	-	-
All Others (includes Charters)	14,264	0.2%	61,163	0.7%	48,728	0.7%	5,933	0.1%	16,634	0.2%
Subtotal	117,707	1.6%	290,306	3.4%	155,530	2.3%	32,542	0.6%	112,006	1.3%
Total	**7,466,332**	**100%**	**8,596,307**	**100%**	**6,858,395**	**100%**	**5,151,658**	100%	**9,217,710**	**100%**

(1) Numbers may not add up due to rounding.
(2) American Affiliates.
(3) United Affiliates.
(4) As a result of the COVID-19 pandemic, the disruption in aviation activity and passenger traffic had a significant effect on enplaned passenger market share at the Airport in Fiscal Years 2020 and 2021.

Source: The Metropolitan Nashville Airport Authority (2022 ACFR; Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2022 (the “2022 ACFR”); 2019 Official Statement citing the Annual Comprehensive Financial Report (the Fiscal Years Ended June 30, 2019 and 2018 (the “2019 ACFR”); and Annual Comprehensive Financial Report for the Fiscal Years Ended June 30, 2018 and 2017 (the “2018 ACFR”).

Note: In the table entitled "Enplaned Passenger Market Share," the categorical descriptions of: (a) "Signatory Airlines," "Non-Signatory Airlines," and "All Others (including Charters)" were entitled "Major Airlines," "Regional Airlines," and "Charters," respectively, in the final official statement relating to the Series 2003B Bonds; and (b) "Signatory Airlines" and "Non-Signatory Airlines" were entitled "Signatory Carriers" and "Non-Signatory Carriers," respectively, in the final official statement relating to the Series 2015 Bonds.

Landed Weight

In connection with the 2003B Bonds Undertaking, 2015 Bonds Undertaking, and the 2019 Subordinate Bonds Undertaking, the following table presents landed weight at the Airport by Signatory Airlines and Non-Signatory Airlines, passenger carrier landed weight, cargo and miscellaneous landed weight, total landed weight, and the percentage of passenger landed weight for the past five Fiscal Years with the associated market share for each Fiscal Year.

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Nashville International Airport
Passenger, Cargo, and Miscellaneous Landed Weight (in 000s)[1]
Fiscal Years 2018 – 2022

	2018	% of Total	2019	% of Total	2020[4]	% of Total	2021[4]	% of Total	2022	% of Total
Signatory Airlines:										
Alaska Airlines	99,354	1.2%	129,001	1.3%	104,358	1.2%	93,408	1.2%	100,654	1.0%
Allegiant Airlines	-	-	-	-	145,579	1.7%	248,448	3.3%	317,469	3.0%
American Airlines[2]	1,415,662	17.0%	1,549,447	16.1%	1,356,238	15.6%	945,038	12.6%	1,693,950	16.2%
Delta Air Lines Inc.	1,287,034	15.4%	1,427,507	14.8%	1,147,250	13.2%	871,462	11.6%	1,260,848	12.1%
Frontier Airlines	140,496	1.7%	166,271	1.7%	130,207	1.5%	82,863	1.1%	118,797	1.1%
JetBlue	147,967	1.8%	156,958	1.6%	126,152	1.4%	71,669	1.0%	183,497	1.8%
Southw est Airlines	4,391,669	52.7%	4,947,577	51.3%	4,564,368	52.4%	4,463,892	59.4%	5,456,214	52.2%
Spirit Airlines	-	-	-	-	167,604	1.9%	201,041	2.7%	288,542	2.8%
United Airlines[3]	683,646	8.2%	859,945	8.9%	707,738	8.1%	442,277	5.9%	813,331	7.8%
Subtotal	8,165,828	98.0%	9,236,706	95.7%	8,449,494	97.0%	7,420,098	98.8%	10,233,302	98.0%

	2018	% of Total	2019	% of Total	2020[4]	% of Total	2021[4]	% of Total	2022	% of Total
Non-Signatory Airlines:										
Air Canada	-	-	-	-	-	-	-	-	9,204	0.1%
Air Canada d/b/a Jazz Air	2,752	0.0%	1,840	0.0%	32,799	0.4%	-	-	20,752	0.2%
Air Georgian dba Air Canada	47,422	0.6%	48,594	0.5%	8,997	0.1%	-	-	-	0.0%
British Airw ays	15,960	0.2%	101,865	1.1%	85,225	1.0%	-	-	25,200	0.2%
Contour Airlines	-	-	-	-	-	-	31,201	0.4%	52,296	0.5%
Sun Country	-	-	-	-	-	-	34,377	0.5%	51,273	0.5%
WestJet/Encore	-	-	-	-	-	-	405	0.0%	19,363	0.2%
All Others (includes Charters)	102,944	1.2%	262,979	2.7%	142,317	1.6%	29,048	0.4%	49,861	0.5%
Subtotal	169,078	2.0%	415,278	4.3%	269,338	3.1%	95,031	1.3%	227,949	2.2%
Total Passenger Carrier Weight (000s)	**8,334,906**	**100%**	**9,651,984**	**100%**	**8,718,832**	**100%**	**7,515,129**	**100%**	**10,461,251**	**100%**
Cargo & Misc. Carrier Weight (000s)	305,994		300,413		276,583		354,109		582,109	
Total Weight All Aircrafts (000s)	**8,640,900**		**9,952,397**		**8,995,415**		**7,869,238**		**11,043,360**	
% Passenger Carrier Weight	**96%**		**97%**		**97%**		**96%**		**95%**	

(1) Numbers may not add up due to rounding.
(2) American Affiliates.
(3) United Affiliates.
(4) As a result of the COVID-19 pandemic, the disruption in aviation activity and passenger traffic had a significant effect on passenger, cargo and miscellaneous landed weights at the Airport in Fiscal Years 2020 and 2021.

Source: The Metropolitan Nashville Airport Authority *(2022 ACFR, 2021 ACFR, 2020 ACFR, 2019 Official Statement citing the 2019 ACFR; and 2018 ACFR).*

Note: The table entitled "Passenger, Cargo, and Miscellaneous Landed Weight" was entitled "Landed Weights" in the final official statement relating to the Series 2003B Bonds. In addition, the categorical descriptions of "Signatory Airlines," "Non-Signatory Airlines," and "All Others (including Charters)" were entitled "Major Airlines," "Regional Airlines," and "Charters," respectively, in the final official statement relating to the Series 2003B Bonds.

Aircraft Activity

Average Daily Scheduled Arrivals and Departures. In connection with the 2003B Bonds Undertaking, the following table presents average daily scheduled arrivals and departures at the Airport by Signatory Airlines and Non-Signatory Airlines based on a typical business day during June of each of the past five Fiscal Years with the associated market share for each Fiscal Year.

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Nashville International Airport
Average Daily Scheduled Arrivals and Departures(1)(2)
Fiscal Years 2018 to 2022 (June data)

Signatory Airlines	2018 Average Flights	% of Total	2019 Average Flights	% of Total	2020 Average Flights(8)(9)	% of Total	2021 Average Flights(8)(9)	% of Total	2022 Average Flights	% of Total
Alaska Airlines	4	0.8%	6	1.1%	2	0.8%	4	0.8%	4	0.8%
American Airlines(3)	94	19.5%	95	17.8%	32	13.3%	82	16.9%	84	16.1%
Allegiant	-	-	-	-	18	7.5%	16	3.3%	17	3.3%
Delta Air Lines	85	17.7%	82	15.4%	12	5.0%	60	12.4%	60	11.5%
Frontier Airlines	6	1.2%	8	1.5%	3	1.3%	4	0.8%	4	0.8%
JetBlue Airways	6	1.2%	10	1.9%	2	0.8%	8	1.7%	13	2.5%
Southwest Airlines	202	42.0%	238	44.6%	140	58.3%	242	50.0%	242	46.3%
Spirit Airlines	-	-	-	-	2	0.8%	10	2.1%	15	2.9%
United Airlines(4)	50	10.4%	54	10.1%	14	5.8%	40	8.3%	52	9.9%
Subtotal	447	92.8%	493	92.4%	225	93.6%	466	96.3%	491	94.1%

Non-Signatory Airlines	2018 Average Flights	% of Total	2019 Average Flights	% of Total	2020 Average Flights(8)(9)	% of Total	2021 Average Flights(8)(9)	% of Total	2022 Average Flights	% of Total
Air Canada(5)	6	1.2%	6	1.1%	-	-	-	-	5	1.0%
Allegiant Air	6	1.2%	14	2.6%	-	-	-	-	-	-
British Airways	2	0.4%	2	0.4%	-	-	-	-	2	0.4%
Cape Air	-	-	-	-	-	-	8	1.7%	7	1.3%
Contour Airlines	10	2.1%	6	1.1%	6	2.5%	-	-	8	1.5%
Westjet Airlines(6)	4	0.8%	6	1.1%	-	-	-	-	3	0.6%
All Others(7)	6	1.2%	7	1.3%	9	3.8%	10	2.1%	7	1.3%
Subtotal	34	6.9%	41	7.6%	15	6.3%	18	3.8%	32	6.1%
TOTAL	481	100%	534	100%	240	100%	484	100%	523	100%

(1) Certain airlines, including Air Wisconsin, Mesa Airlines, Republic, and Various/Trans State Airlines are affiliates of various airlines and their flights are included with the flights for the main carrier.
(2) Numbers may not add up due to rounding.
(3) Includes flights for American Airlines affiliates, including American Eagle.
(4) Includes flights for United Airlines, including Continental Express (doing business as ExpressJet and United/Skywest).
(5) Includes flights for Air Canada affiliates, including Air Georgian (doing business as Air Canada) and Air Canada (doing business as Jazz Air).
(6) Includes flights for Westjet affiliates, including Westjet/Encore.
(7) Includes charters.
(8) As a result of the COVID-19 pandemic, international travel was not permitted for parts of Fiscal Years 2020 and 2021
(9) As a result of the COVID-19 pandemic, the disruption in aviation and passenger traffic had a significant effect on average daily scheduled arrivals and departures at the Airport in Fiscal Years 2020 and 2021. However, the impact of COVID-19 was not realized until the last four months of Fiscal Year 2020 and during Fiscal Year 2021, so the average daily scheduled arrivals and departures at the Airport by Signatory and Non-Signatory Airlines based on a typical business day during June 2020 and 2021 does not accurately reflect the average daily scheduled arrivals and departures for Fiscal Years 2020 and 2021 as a whole.

Source: The Metropolitan Nashville Airport Authority.

Note: In the table entitled "Average Daily Scheduled Arrivals and Departures," the categorical descriptions of "Signatory Airlines" and "Non-Signatory Airlines" were entitled "Major Airlines" and "Regional Airlines," respectively, in the final official statement relating to the Series 2003B Bonds.

Daily Departures. In connection with the 2015 Bonds Undertaking, the following table presents daily departures at the Airport based on a typical business day during June of each Fiscal Year and the number of departures scheduled for that particular day for the past six Fiscal Years.

Nashville International Airport
Daily Departures(1)
Fiscal Years 2017 - 2022

Year	Daily Departures
2017	220
2018	220
2019	267
2020	120
2021	242
2022	265

(1) As a result of the COVID-19 pandemic, the disruption in aviation activity and passenger traffic had a significant effect on daily departures at the Airport during June of Fiscal Year 2020.

Source: The Metropolitan Nashville Airport Authority.

Schedule of Revenues, Expenses and Changes in Net Position

In connection with the 2003B Bonds Undertaking, the 2015 Bonds Undertaking, and the 2019 Subordinate Bonds Undertaking, the following table presents the Authority's schedule of revenues, expenses and change in net position for Fiscal Years 2018 through 2022 and reflects financial information for the Airport, the John C. Tune Airport (the "Reliever Airport")[1], and the MNAA Properties Corporation ("MPC"). MPC revenues and expenses are not included in the definition of Airport Revenues or the definition of Operating Expenses, respectively, except that ground rent payments and management fees by MPC and its subsidiaries to the Authority are included in Airport Revenues. As such, the following table should be read together with the Authority's financial statements, which presents the condensed financial information for the Airport, the Reliever Airport, and its blended component unit, MPC. Such information is presented in accordance with GASB Statement No. 61, The Financial Reporting Entity: Omnibus, An Amendment of GASB Statements No. 14 and 34. There are no separately issued financial statements for the Airport, the Reliever Airport, and MPC. See the 2022 Audited Financial Statements.

[1] On March 3, 2020, a tornado touched down in the Nashville area and continued its path across Middle Tennessee. The Reliever Airport, John C. Tune ("JWN"), incurred significant damage from the storm, including infrastructure damage to the terminal and other buildings (hangars), airfield, pavement, navigational aids, signage, lighting, fencing, utilities and more. JWN reopened on March 20, 2020. Fortunately, JWN was still able to complete construction on a new aircraft hangar with an attached office and shop space and related aircraft asphalt taxilane, asphalt apron, and vehicle parking, during Fiscal Year 2020. In July 2021, JWN kicked off a redevelopment plan which added new aviation facilities and replaced buildings destroyed in the tornado. The project includes expanding ramp areas, adding a new airport access point, constructing 12 T-hangar buildings with 78 hangar bays, four box hangar buildings with 12 hangar bays and two shade port buildings with 10 bays. Construction was complete during fiscal year 2022.

Schedule of Revenues, Expenses and Change in Net Position[1][2]
Fiscal Years 2018 - 2022
(Unaudited)

	2018	2019[4]	2020[3]	2021[3]	2022
Operating Revenues:					
Signatory Airline	$ 48,091,521	$ 55,264,548	$ 46,012,326	$ 47,495,370	$ 54,395,946
Parking	50,369,200	53,153,828	41,735,515	27,116,496	76,135,079
Concession	33,498,728	37,203,600	31,730,323	27,024,842	50,155,481
Space Rental	16,648,433	16,885,811	14,918,277	15,469,797	20,142,385
Other	5,871,735	7,524,807	9,522,197	11,513,054	9,399,973
Total Operating Revenues	**154,479,617**	**170,032,594**	**143,918,638**	**128,619,559**	**210,228,864**
Operating Expenses:					
Salaries and wages	32,879,302	38,469,934	36,981,912	25,133,488	37,663,363
Contractual Services	36,801,980	41,434,039	42,218,732	35,011,863	51,659,702
Materials and Supplies	3,840,490	4,046,799	4,544,743	3,674,419	4,857,819
Utilities	5,639,206	6,140,029	5,977,699	5,761,724	7,002,019
Insurance	-	1,336,036	1,442,491	1,913,299	2,148,338
Other	6,101,266	8,287,094	5,270,166	3,040,336	9,634,384
Total Operating Expenses	**85,262,244**	**99,713,931**	**96,435,743**	**74,535,129**	**112,965,625**
Provision for Depreciation	**39,914,221**	**44,497,442**	**49,768,473**	**53,383,630**	**79,273,711**
Nonoperating Revenues:					
Investment income (loss)	2,149,363	7,703,826	23,723,090	1,647,674	(4,756,436)
Passenger facility charges	28,300,013	31,416,941	26,384,555	20,253,069	35,678,032
Customer facility charges	14,290,386	15,094,273	11,827,674	8,365,388	12,939,489
Other nonoperating revenues	495,797	-	12,032,061	36,580,521	28,413,059
Total Nonoperating Revenues	**45,235,559**	**54,215,040**	**73,967,380**	**66,846,652**	**72,274,144**
Nonoperating Expenses:					
Debt-related expenses	10,262,472	13,267,265	37,994,910	49,322,732	50,168,719
Other nonoperating expenses	914,499	16,170,808	112,570	2,160,638	-
Total Nonoperating Expenses	**11,176,971**	**29,438,073**	**38,107,480**	**51,483,370**	**50,168,719**
Capital Contributions	**15,010,688**	**18,178,942**	**21,287,199**	**31,356,438**	**29,762,836**
Increase in Net Position	**78,372,428**	**68,777,130**	**54,861,521**	**47,420,520**	**69,857,789**
Total Net Position – End of Year	**$ 657,510,531**	**$ 726,287,661**	**$ 781,149,182**	**$ 828,569,702**	**$ 898,427,491**

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(1) This table presents the Authority's revenues, expenses and change in net position in accordance with the presentation in the 2022 ACFR. Expenses and Change in Net Position presented in the Statistical Information sections (unaudited) of the Authority's Annual Comprehensive Financial Reports (the "Statistical Information Sections"). Specifically, certain other operating expenses, other nonoperating revenues, other nonoperating expenses, and capital contributions are presented differently, but there is no difference between the total net position in each Fiscal Year presented in this table and the Statistical Information Sections.

(2) This table presents the Authority's schedule of revenues, expenses and change in net position for Fiscal Years 2018 through 2022 and reflects financial information for the Airport, the Reliever Airport, and the MPC. **MPC revenues and expenses are <u>not</u> included in the definition of Airport Revenues or the definition of Operating Expenses, respectively, except that ground rent payments and management fees by MPC and its subsidiaries to the Authority are included in Airport Revenues**. As such, the following table should be read together with the Authority's financial statements, which present the condensed financial information for the Airport, the Reliever Airport, and its blended component unit, MPC. Such information is presented in accordance with GASB Statement No. 61, The Financial Reporting Entity: Omnibus, An Amendment of GASB Statements No. 14 and 34. There are no separately issued financial statements for the Airport, the Reliever Airport, and MPC.

(3) As a result of the COVID-19 pandemic, the disruption in aviation activity and passenger traffic had a significant effect on operating revenues and operating expenses at the Airport in Fiscal Years 2020 and 2021. For additional information see "Introduction – COVID-19 Pandemic", herein.

(4) The Authority has made certain reclassifications to the 2019 Financial Statements to conform with the presentation of the 2020 Financial Statements.

Source: The Metropolitan Nashville Airport Authority *(2022 ACFR, 2021 ACFR, 2020 ACFR, 2019 Official Statement citing the Management's Discussion and Analysis (Unaudited) in the 2019 ACFR, and the 2018 ACFR).*

Note: The presentation of the table entitled "Schedule of Revenues, Expenses and Change in Net Position" has changed from time to time to reflect the implementation of certain accounting and financial reporting standards.

Historical Debt Service Coverage

In connection with the 2003B Bonds Undertaking and the 2015 Bonds Undertaking, the following table presents the historical debt service coverage on the Senior Bonds for past five Fiscal Years.

Historical Debt Service Coverage (Senior Debt)[1]
Fiscal Years 2021 - 2022
(Unaudited)

Description	2018	2019	2020	2021	2022
Airport Revenues (Operating Revenues)[2]	$151,362,491	$166,845,829	$140,324,281	$125,103,988	$ 206,386,328
Add: Investment Income[2]	2,148,385	7,691,491	23,671,953	1,638,683	(4,929,426)
Revenues Available for Debt Service	153,510,876	174,537,320	163,996,234	126,742,671	201,456,902
Less: Operating Expenses[3]	(83,769,031)	(98,347,533)	(95,177,939)	(83,844,828)	(112,644,774)
Less: CARES/CRRSA money applied to Operating Expenses	-	-	2,925,517	3,988,211	2,026,935
Net Revenues	$ 69,741,845	$ 76,189,787	$ 71,743,812	$ 46,886,054	$ 90,839,063
Debt Service[4][7]					
Interest	$ 7,715,268	$ 10,563,490	$ 10,155,649	$ 9,859,235	$ 9,649,735
Principal	11,515,000	16,155,000	4,565,000	4,835,000	5,080,000
Less: PFC Revenues applied to Debt Service[5]	(4,227,479)	(6,560,025)	(573,900)	-	(688,478)
Less: DSRF Release[6]	-	(3,723,692)	-	-	
Less: CARES/CRRSA money	-	-	(2,384,981)	(8,934,541)	(7,865,937)
Total Debt Service	$ 15,002,789	$ 16,434,773	$ 11,761,768	$ 5,759,694	$ 6,175,320
Debt Service Coverage	4.65	4.64	6.10	8.14	14.71

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(1) This table presents the debt service coverage for the Authority's outstanding Senior Bonds in accordance with the Senior Bond Resolution and differs from the debt service coverage presented in the Statistical Information Sections. Specifically, the debt service coverage calculations in the Statistical Information Sections include different sources of available revenues, expenses and associated debt service. Refer to the below footnotes and the sources of information referenced therein for an explanation of the debt service coverage calculation presented in this table.

(2) Includes annual operating revenues and investment income derived from the Airport and the Reliever Airport. Source: 2022 ACFR, 2020 ACFR, 2019 ACFR, and 2018 ACFR.

(3) Includes annual operating expenses related to the Airport and the Reliever Airport. Source: 2022 ACFR, 2020 ACFR, 2019 ACFR, and 2018 ACFR. The 2022 operating expense includes an addback of $10,467,917 credit in benefit expense due to the accounting entry to true-up Pension/OPEB assets.

(4) The Authority has internally set aside the $575,000 July 1, 2019 mandatory redemption payment for the Series 2003B Bonds. As such, the debt service excludes such mandatory redemption payment for the Series 2003B Bonds. Source: Metropolitan Nashville Airport Authority.

(5) Includes amounts transferred from PFC Revenues to pay debt service on the Authority's Airport Improvement Revenue Bonds, Series 2009A (the "Series 2009A Bonds") (which are no longer Outstanding), the Authority's Airport Improvement Revenue Bonds, Refunding Series (which are no longer Outstanding), and the Series 2015A Bonds. Source: Metropolitan Nashville Airport Authority.

(6) Includes release of funds relating to the Series 2009A Senior Bonds from the Debt Service Reserve Fund. Source: Metropolitan Nashville Airport Authority.

(7) Debt service funds are net of capitalized interest.

Note: The presentation of the table entitled "Historical Debt Service Coverage" has changed from time to time to reflect the implementation of certain accounting and financial reporting standards and the current method of calculating historical debt service coverage in accordance with the Senior Bond Resolution.

Subordinate Bonds

The following is the annual financial information and operation data required under the Authority's continuing disclosure undertaking with respect to the Series 2019 Subordinate Bonds (the "2019 Subordinate Bonds Undertaking"), which are the only series of Subordinate Bonds outstanding under the Subordinate Bond Resolution as of the date of this Report (the "Outstanding Subordinate Bonds").

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Airlines Serving the Airport

In connection with the 2019 Subordinate Bonds Undertaking, the following table presents the Airlines serving the Airport as of June 30, 2022.

Airlines Serving the Airport
(as of June 30, 2022)

Signatory	Regional Affiliates [(1)]	Non-signatory [(7)]
Alaska Airlines	Air Wisconsin[(3)]	Air Canada / Jazz Aviation[(6)]
Allegiant Air	Commutair[(3)]	Air Georgian
American Airlines	Endeavor Air[(2)]	Avelo Airlines
Delta Air Lines	Envoy[(4)]	Boutique Air
Frontier Airlines	ExpressJet[(2)]	Breeze Airw ays
JetBlue	GoJet Airlines[(3)]	British Airw ays[(6)]
Southw est Airlines	Mesa Airlines[(3)]	Cape Air
Spirit Airlines	Republic Airw ays[(5)]	Contour Airlines
United Airlines	SkyWest Airlines[(5)]	Flair Airlines
		Sun Country
		Sw ift Air
		VivaAerobus[(6)]
		WestJet
		WestJet Encore

Signatory	Non-signatory
Federal Express	Air Transport Int'l.
	Airborne Express
	Amazon Prime
	Atlas Air
	DHL
	Kalitta Air
	Mountain Air Cargo
	Silkw ay West
	Southern Air

(1) Subject to the provisions of the Signatory Airline Agreements, certain Signatory Airlines have designated one or more regional airlines as an Affiliate (as defined in the Signatory Airline Agreements). As such, the Landing Fees, Terminal Rents (both as defined in the Signatory Airline Agreements) and other charges due on account of each Affiliate's use of Airport facilities or services are calculated as if the Affiliate were a Signatory Airline. See "APPENDIX E - SUMMARY OF CERTAIN PROVISIONS OF THE SIGNATORY AIRLINE USE AND LEASE AGREEMENTS" attached to the 2019 Official Statement.
(2) Doing business as Delta Air Lines.
(3) Doing business as United Airlines.
(4) Doing business as American Airlines.
(5) Doing business as American Airlines, Delta Air Lines and United Airlines.
(6) Foreign flag carrier.
(7) As a result of the COVID-19 pandemic, international travel was not permitted for parts of Fiscal Years 2020, 2021 and 2022.

Source: The Metropolitan Nashville Airport Authority.

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Enplaned Passenger Traffic

Enplaned Passengers and O&D Enplaned Passengers. In connection with the 2019 Subordinate Bonds Undertaking, the following table presents enplaned passengers, O&D enplaned passengers, year-over-year growth of enplaned passengers and O&D enplaned passengers, and percent of O&D enplaned passengers for the past ten Fiscal Years.

Enplaned Passengers and O&D Enplaned Passengers
Fiscal Years 2013 – 2022[2]

Fiscal Year	Enplaned Passengers	Year-Over-Year Growth	O&D Enplaned Passengers[1]	Year-Over-Year Growth	Percent of O&D Enplaned Passengers
2013	5,037,975	3.2%	4,039,314	2.8%	80.2%
2014	5,312,021	5.4	4,302,260	6.5	81.0
2015	5,604,148	5.5	4,562,238	6.0	81.4
2016	6,141,092	9.6	5,044,163	10.6	82.1
2017	6,790,099	10.6	5,617,042	11.4	82.7
2018	7,466,332	10.0	6,154,523	9.6	82.5
2019	8,596,307	15.1	6,953,983	13.0	80.9
2020	6,858,395	-20.2	5,914,305	-15.0	86.2
2021	5,151,658	-24.9	4,086,178	-30.9	79.3
2022	9,217,710	78.9	7,812,956	91.2	84.8

(1) The Authority also receives O&D passenger data directly from the airlines that operate at the Airport, and that data may differ from the U.S. DOT data presented in this table.
(2) As a result of the COVID-19 pandemic, the disruption in aviation activity and passenger traffic had a significant effect on enplaned passengers and O&D enplaned passengers at the Airport in Fiscal Years 2020 and 2021.

Source: The Metropolitan Nashville Airport Authority.

Enplaned Passenger Market Share

In connection with the 2019 Subordinate Bonds Undertaking, see "SENIOR BONDS – Enplaned Passenger Market Share" herein for the table presenting enplaned passengers at the Airport by Signatory Airlines, Non-Signatory Airlines, and total enplaned passengers for the past five Fiscal Years with the associated market share for each Fiscal Year.

Landed Weight

In connection with the 2019 Subordinate Bonds Undertaking, see "SENIOR BONDS – Landed Weight" herein for the table presenting the landed weight at the Airport by Signatory Airlines and Non-Signatory Airlines, passenger carrier landed weight, cargo and miscellaneous landed weight, total landed weight for the past five Fiscal Years with the associated market share for each Fiscal Year.

Schedule of Revenues, Expenses and Changes in Net Position

In connection with the 2019 Subordinate Bonds Undertaking, see "SENIOR BONDS – Schedule of Revenues, Expenses and Changes in Net Position" herein for the table presenting the Authority's schedule of revenues, expenses and change in net position for Fiscal Years 2018 through 2022.

Historical Debt Service Coverage

In connection with the 2019 Subordinate Bonds Undertaking, see "SENIOR BONDS – Historical Debt Service Coverage" herein.

Historical Debt Service Coverage

In connection with the 2019 Subordinate Bonds Undertaking, the following tables presents the historical debt service coverage on the Senior Bonds and the Subordinate Bonds for the past five Fiscal Years.

Senior and Subordinate Debt Service Coverage(1)
Fiscal Years 2018-2022
(Unaudited)

	2018	2019	2020	2021	2022
Airport Revenues (Operating Revenues)(2)	$ 151,362,491	$ 166,845,829	$ 140,324,281	$ 125,103,988	$ 206,386,328
Add: Investment Income(2)	2,148,385	7,691,491	23,671,953	1,638,683	(4,929,426)
Revenues Available for Debt Service	**153,510,876**	**174,537,320**	**163,996,234**	**126,742,671**	**201,456,902**
Less: Operating Expenses(3)	(83,769,031)	(98,347,533)	(95,177,939)	(83,844,828)	(112,644,774)
Less: CARES/CRRSA Money Applied to Operating Expenses(3)	-	-	2,925,517	3,988,211	2,026,935
Net Revenues	**$69,741,845**	**$76,189,787**	**$71,743,812**	**$46,886,054**	**$90,839,063**
Senior Debt Service					
Interest	$ 7,715,268	$ 10,563,490	$ 10,155,649	$ 9,859,235	$ 9,649,735
Principal	11,515,000	16,155,000	4,565,000	4,835,000	5,080,000
Less: PFC Revenues Applied to DebtService(4)	(4,227,479)	(6,560,025)	(573,900)	-	(688,478)
Less: Debt Service Reserve Fund Release(5)	-	(3,723,692)	-	-	-
Less: CARES/CRRSA Money Applied to Debt Service	-	-	(2,384,981)	(8,934,541)	(7,865,937)
Total Senior Debt Service	**$ 15,002,789**	**$ 16,434,773**	**$ 11,761,768**	**$ 5,759,694**	**$ 6,175,320**
Senior Debt Service Coverage	**4.65x**	**4.64x**	**6.10x**	**8.14x**	**14.71x**
Subordinate Debt Service					
Interest	-	-	$ 2,996,813	$ 22,830,050	$ 27,295,973
Principal	-	-	-	-	-
Less: CARES/CRRSA Money Applied to Debt Service	-	-	(998,920)	(17,240,578)	(15,172,652)
Total Subordinate Debt Service	-	-	**$ 1,997,893**	**$ 5,589,472**	**$ 12,123,321**
Subordinate Debt Service Coverage	-	-	**30.0x**	**7.36x**	**7.49x**
Senior and Subordinate Debt Service Coverage	**4.65x**	**4.64x**	**5.21x**	**4.13x**	**4.96x**

(1) This table presents the debt service coverage for the Authority's outstanding Senior Bonds and Subordinate Bonds in accordance with the Senior Bond Resolution and the Subordinate Bond Resolution, respectively, and differs from the debt service coverage presented in the Statistical Information Sections. Specifically, the debt service coverage calculations in the Statistical Information Sections include different sources of available revenues, expenses and associated debt service. Does not include amounts paid to Bank of America, N.A. pursuant to the Note Purchase Agreement.
(2) Includes annual operating revenues and investment income derived from the Airport and the Reliever Airport.
(3) Includes annual operating expenses related to the Airport and the Reliever Airport.
(4) Includes amounts transferred from PFC Revenues to pay debt service on the Authority's Airport Improvement Revenue Bonds, Series 2009A (the "Series 2009A Bonds") (which are no longer Outstanding), and the Series 2015A Bonds.
(5) Includes release of funds relating to the Series 2009A Bonds (which are no longer Outstanding) from the Airport Improvement Bond Reserve Fund.

Source: Metropolitan Nashville Airport Authority.

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This section contains the following subsections:

Single Audit Under Uniform Guidance

Passenger Facility Charges

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To Management and the Board of Commissioners
Metropolitan Nashville Airport Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate remaining funds of the Metropolitan Nashville Airport Authority (the "Authority") as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 19, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To Management and the Board of Commissioners
Metropolitan Nashville Airport Authority

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

October 19, 2022

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Report on Compliance for Each Major Federal Program and Passenger Facility Charge Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and the Passenger Facility Charge Audit Guide for Public Agencies

Independent Auditor's Report

To the Board of Commissioners
Metropolitan Nashville Airport Authority

Report on Compliance for Each Major Federal Program and for the Passenger Facility Charge Program

Opinion on Each Major Federal Program and Passenger Facility Charge Program

We have audited the Metropolitan Nashville Airport Authority's (the "Authority") compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2022. In addition, we audited compliance with the applicable requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and the requirements in 14 CFR 158.63 (collectively, the "Guide") for the year ended June 30, 2022. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. The Authority's passenger facility charge program is identified in the schedule of passenger facility charges.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of the major federal programs and the passenger facility charge program for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance") and the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and the requirements in 14 CFR 158.63. Our responsibilities under those standards, the Uniform Guidance, and the Guide are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and the passenger facility charge program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs and the passenger facility charge program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program and the passenger facility charge program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the Guide, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program or the passenger facility charge program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or the passenger facility charge program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or the passenger facility charge program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

To the Board of Commissioners
Metropolitan Nashville Airport Authority

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the Guide. Accordingly, this report is not suitable for any other purpose.

Plante & Moran, PLLC

October 19, 2022

Metropolitan Nashville Airport Authority
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2022

Airport	Program Title	Assistance Listing Number	Grantor Agency	Expenditures	Passed Through to Subrecipients
Federal Assistance:					
U.S. Department of Transportation:					
Direct Awards:					
Nashville International	Airport Improvement Program	20.106	Federal Aviation Administration		
	COVID-19 - Coronavirus Aid, Relief, & Economic Security Act (CARES)			$ 18,559,785	$ -
	COVID-19 - Airport Coronavirus Relief Grant Program (ACRGP)			6,505,739	-
	Taxiway Bravo South Reconstruction			317,550	-
	Subtotal Airport Improvement Program			25,383,074	-
U.S. Department of Justice:					
	Asset Forfeiture Equitable Sharing Program	16.922	Department of Justice	38,127	-
Pass-Through Awards:					
John C. Tune	Federal Emergency Management Agency (Federal Portion)	97.036	Tennessee Emergency Management Agency	844,647	-
			Total federal assistance	$ 26,265,848	$ -
State Assistance:					
Nashville International	Asset Forfeiture Equitable Sharing Program		State of Tenneesseee	337,042	-
John C. Tune	Airport Improvements		Tennessee Department of Transportation		
	Air Traffic Control Tower & Access Road			8,980	-
	Air Traffic Control Tower & Access Road			783,986	-
	JWN Hangar Redevelopment			28,661,300	-
	Airport Maintenance			15,000	-
	Total Airport Improvements			29,469,266	-
John C. Tune	Federal Emergency Management Agency (State Portion)		Tennessee Emergency Management Agency	46,925	-
			Total state assistance	$ 29,853,233	$ -
			Grand total	**$ 56,119,081**	**$ -**

See notes to schedule of expenditures of federal and state awards.

1. Basis of Presentation

The accompanying schedule of expenditures of federal and state awards ("SEFA") includes the federal and state grant activity of the Metropolitan Nashville Airport Authority. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Comptroller of the Treasury of the State of Tennessee. Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

2. Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or re limited as to reimbursement. The Authority has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

3. Contingency

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor agencies will become a liability of the Authority. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.

4. Federal Emergency Management Agency (FEMA)

Included in the SEFA for the year ended June 30, 2022 are $844,647 of expenditures incurred, under the Disaster Grants Public Assistance grant (ALN 97.036), in previous fiscal years. The project worksheet for these expenditures was approved in the current fiscal year and these expenditures have been reported in the current fiscal year in accordance with the reporting requirements outlined in the 2022 Compliance Supplement.

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified?	_____ Yes	X No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes	X None reported
Noncompliance material to financial statements noted?	_____ Yes	X None reported

Federal Awards

Internal control over major programs:		
• Material weakness(es) identified?	_____ Yes	X No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes	X None reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?	_____ Yes	X No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
20.106	Airport Improvement Program
97.036	Federal Emergency Management Agency (FEMA)

Dollar threshold used to distinguish between type A and type B programs:	$787,975	
Auditee qualified as low-risk auditee?	X Yes	_____ No

Passenger Facility Charge Program

Internal control over major programs:		
• Material weakness(es) identified?	_____ Yes	X No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes	X None reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with AU-C 935?	_____ Yes	X No

Section II - Financial Statement Audit Findings

Reference Number	Finding
Current Year	None

Section III - Federal Program Audit Findings

Reference Number	Finding
Current Year	None

Section IV – Passenger Facility Charge Program Audit Findings

Reference Number	Finding
Current Year	None

Metropolitan Nashville Airport Authority
Schedules of Collections and Expenditures of Passenger Facility Charges
For the Year Ended June 30, 2022

	Amended Amount Approved	Cumulative Total June 30, 2021	Quarter Ended September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022	Total FY 2022	Life-to-date Cumulative
COLLECTIONS:								
PFC Revenue Received	$ 946,938,055	$ 425,363,918	$ 9,861,000	$ 6,737,715	$ 9,440,261	$ 10,165,839	$ 36,204,815	$ 461,568,733
Interest Earned/Fees Incurred	N/A	28,206,898	84,801	85,629	6,329	131,325	308,083	28,514,981
Total Collections	$ 946,938,055	$ 453,570,816	$ 9,945,800	$ 6,823,344	$ 9,446,590	$ 10,297,164	$ 36,512,898	$ 490,083,714
EXPENDITURES (REFUNDS):								
APPLICATION 1:								
Taxiway C Extension	$ 6,118,900	$ 6,118,900	$ -	$ -	$ -	$ -	$ -	$ 6,118,900
Land Acquisition for ASR (P, F, I - 2003 PFC)	6,806,412	6,806,412	-	-	-	-	-	6,806,412
Land Acquisition (P, F, I - 2003 PFC)	13,986,000	13,986,000	-	-	-	-	-	13,986,000
Runway 2C/20C Relocation	41,343,955	41,343,955	-	-	-	-	-	41,343,955
Runway 13/31 Extension	7,541,800	7,541,800	-	-	-	-	-	7,541,800
Runway 2C/20C Extension	8,840,000	8,840,000	-	-	-	-	-	8,840,000
Total	84,637,067	84,637,067	-	-	-	-	-	84,637,067
APPLICATION 2:								
Concourse Connector (P, F, I - 2003 PFC)	4,814,500	4,814,500	-	-	-	-	-	4,814,500
International Arrivals Building (P, F, I - 2003 PFC)	6,898,801	6,898,801	-	-	-	-	-	6,898,801
Total	11,713,301	11,713,301	-	-	-	-	-	11,713,301
APPLICATION 3 - MUFIDS	1,439,174	1,439,174	-	-	-	-	-	1,439,174
Total	1,439,174	1,439,174	-	-	-	-	-	1,439,174
APPLICATION 4 - Curbside Expansion	17,641,859	17,641,859	-	-	-	-	-	17,641,859
Total	17,641,859	17,641,859	-	-	-	-	-	17,641,859
APPLICATION 5:								
ARFF Facility Expansion	55,000	55,000	-	-	-	-	-	55,000
Moving Sidewalk, Concourse A	1,101,204	1,101,204	-	-	-	-	-	1,101,204
Outbound Baggage Conveyor System	1,495,482	1,495,482	-	-	-	-	-	1,495,482
Total	2,651,686	2,651,686	-	-	-	-	-	2,651,686
APPLICATION 6:								
Airfield Lighting Control Panel	443,438	443,438	-	-	-	-	-	443,438
Airport Operations Center Relocation	2,158,667	2,158,667	-	-	-	-	-	2,158,667
Runway Deicer Truck	228,300	228,300	-	-	-	-	-	228,300
SMGCS (2)	1,329,594	1,329,594	-	-	-	-	-	1,329,594
Total	4,159,999	4,159,999	-	-	-	-	-	4,159,999
APPLICATION 7 - Air Cargo Ramp	2,094,000	2,094,000	-	-	-	-	-	2,094,000
Total	2,094,000	2,094,000	-	-	-	-	-	2,094,000

Metropolitan Nashville Airport Authority
Schedules of Collections and Expenditures of Passenger Facility Charges
For the Year Ended June 30, 2022

APPLICATION 8:								
Air Cargo Ramp Expansion	846,000	846,000	-	-	-	-	-	846,000
Airfield Pavement Rehabilitation	1,249,012	1,249,012	-	-	-	-	-	1,249,012
Airport Master Plan	169,635	169,635	-	-	-	-	-	169,635
BIDS (3)	353,758	353,758	-	-	-	-	-	353,758
Terminal Access Roadway - Design	451,037	451,037	-	-	-	-	-	451,037
Radio Communication System	980,951	980,951	-	-	-	-	-	980,951
Terminal Apron Reconstruction	172,223	172,223	-	-	-	-	-	172,223
Update Noise Exposure Maps	106,272	106,272	-	-	-	-	-	106,272
Total	4,328,888	4,328,888	-	-	-	-	-	4,328,888
APPLICATION 9:								
ARFF Vehicle	493,143	493,143	-	-	-	-	-	493,143
Airfield Hold Bar Modifications	420,391	420,391	-	-	-	-	-	420,391
Airfield Pavement Rehabilitation	1,763,421	1,763,421	-	-	-	-	-	1,763,421
Westside Infrastructure and Utility Development	677,004	677,004	-	-	-	-	-	677,004
Elevator on A Concourse	207,040	207,040	-	-	-	-	-	207,040
Live Scan Fingerprint Equipment	49,374	49,374	-	-	-	-	-	49,374
Total	3,610,373	3,610,373	-	-	-	-	-	3,610,373
APPLICATION 10:								
1500 Gallon ARFF Vehicle	72,486	72,486	-	-	-	-	-	72,486
Airfield Pavement Rehabilitation - East	535,748	535,748	-	-	-	-	-	535,748
Airport Vehicle Driving Simulator	73,571	73,571	-	-	-	-	-	73,571
Land Acquisition RW Ext. Approach	468,000	468,000	-	-	-	-	-	468,000
Public Address System	789,116	789,116	-	-	-	-	-	789,116
Security Enhancements	378,750	378,750	-	-	-	-	-	378,750
Widen Three Taxiway Fillets	274,012	274,012	-	-	-	-	-	274,012
Total	2,591,683	2,591,683	-	-	-	-	-	2,591,683
APPLICATION 11:								
Aircraft Rescue and Firefighting Equipment	345,529	345,529	-	-	-	-	-	345,529
Pavement Sweeper	99,643	99,643	-	-	-	-	-	99,643
Snow Removal Equipment	418,887	418,887	-	-	-	-	-	418,887
Runway 13/31 W of 2L/20R	220,765	220,765	-	-	-	-	-	220,765
Airfield Construction	18,935	18,935	-	-	-	-	-	18,935
Txy KiloW and Lima Rehab	352,061	352,061	-	-	-	-	-	352,061
Txy Lima between T4 & T6	230,400	230,400	-	-	-	-	-	230,400
Reconstruction Txy Tango 6 at Terminal Ramp	188,894	188,894	-	-	-	-	-	188,894
Reconstruction Txy Tango 6 at Juliet	428,576	428,576	-	-	-	-	-	428,576
Reconstruction Txy Tango 6 at Terminal Ramp	844,829	844,829	-	-	-	-	-	844,829
Reconstruction Txy Tango 2	164,855	164,855	-	-	-	-	-	164,855
Rehabilitate Taxiway Alpha North	217,278	217,278	-	-	-	-	-	217,278
Shoulder Replacement Rwy 2L-20R	593,673	593,673	-	-	-	-	-	593,673
Upgrade Trench Drain at De-Icing Area	14,673	14,673	-	-	-	-	-	14,673
Rwy 2R20L & Txy H Add'l Work	798,122	798,122	-	-	-	-	-	798,122
Airfield Pavement Rehab (Ph. 1-5), Rwy 2R/20L J & C Repair	2,160,724	2,160,724	-	-	-	-	-	2,160,724
Airfield Resigning	515,467	515,467	-	-	-	-	-	515,467
Engineering Study to Develop Land North of 13/31	36,000	36,000	-	-	-	-	-	36,000

Noise Mitigation (Principal)	24,065,949	24,065,949	-	-	-	-	-	24,065,949
Noise Mitigation (F&I)	30,381,472	22,435,287	-	-	-	-	-	22,435,287
Relocate Electrical Vault on Westside	501,004	501,004	-	-	-	-	-	501,004
Runway 2C/20C Extension Part B	4,646,757	4,646,757	-	-	-	-	-	4,646,757
Runway 2C/20C Extension Part B (F&I)	6,694,961	6,694,960	-	-	-	-	-	6,694,960
Storm Water Treatment Facility Engineering Study/Upgrade	100,055	100,055	-	-	-	-	-	100,055
Two Elevators in Terminal Building	691,166	691,166	-	-	-	-	-	691,166
Widen Taxiway Fillets at Taxiways L2, K2, T3, LIMA KILO	356,096	356,096	-	-	-	-	-	356,096
Total	75,086,771	67,140,585	-	-	-	-	-	67,140,585
APPLICATION 12:								
Runway 13-31 Reconstruction	5,355,535	5,355,535	-	-	-	-	-	5,355,535
MUFIDS	2,672,278	2,672,278	-	-	-	-	-	2,672,278
Design of 2L-20R and 2R-20L Runway Safety Areas	146,767	146,767	-	-	-	-	-	146,767
ARFF Building Expansion	186,384	186,384	-	-	-	-	-	186,384
Ticketing Level Canopy Extension	501,250	501,250	-	-	-	-	-	501,250
Retaining Wall on Taxiways Juliet and Lima	65,421	65,421	-	-	-	-	-	65,421
Hangar Lane Access Improvements	151,583	151,583	-	-	-	-	-	151,583
General Aviation Master Plan	27,058	27,058	-	-	-	-	-	27,058
Loading Bridges (4)	309,527	309,527	-	-	-	-	-	309,527
Replace Oshkosh Snow Broom	40,620	40,620	-	-	-	-	-	40,620
Master Drainage Plan/Deicing Runoff Plan	277,567	277,567	-	-	-	-	-	277,567
Lighting Upgrade on Airfield 2L & 13/31	122,635	122,635	-	-	-	-	-	122,635
Surface Sweeper	154,844	154,844	-	-	-	-	-	154,844
Exhibit A Property Map	20,011	20,011	-	-	-	-	-	20,011
Airport Rotating Beacon	8,892	8,892	-	-	-	-	-	8,892
Lightning Protection for Apron Lights	5,158	5,158	-	-	-	-	-	5,158
Total	10,045,530	10,045,530	-	-	-	-	-	10,045,530
APPLICATION 13:								
Security Checkpoint - Design & Construction	3,300,000	3,300,000	-	-	-	-	-	3,300,000
Terminal Renovation - Not to Exceed Eligible Portion of Phase I	10,000,000	10,000,000	-	-	-	-	-	10,000,000
Reconstruct Taxiway Bravo South Design	22,853	22,853	-	-	-	-	-	22,853
Reconstruct Taxiway Alpha South Design	76,000	76,000	-	-	-	-	-	76,000
Outbound Baggage Conveyor System Design & Construction	417,838	417,838	-	-	-	-	-	417,838
Access Control System Replacement	729,755	729,755	-	-	-	-	-	729,755
Construct 2L-20R Runway Safety Area	407,240	407,240	-	-	-	-	-	407,240
Pavement Mgmt. and Modifi. of Standards Identification Study	51,390	51,390	-	-	-	-	-	51,390
Runway Weather Information System (RWIS)	6,915	6,915	-	-	-	-	-	6,915
Construct 2R-20L Runway Safety Area	472,899	472,899	-	-	-	-	-	472,899
Aircraft Flight Track Monitoring System	120,376	120,376	-	-	-	-	-	120,376
Total	15,605,266	15,605,266	-	-	-	-	-	15,605,266
APPLICATION 14:								
In-Line EDS	6,340,079	6,340,079	-	-	-	-	-	6,340,079
In-Line EDS Financing	174,919	174,919	-	-	-	-	-	174,919
Reconstruct Taxiway Bravo South Construction	244,994	244,994	-	-	-	-	-	244,994
Rehabilitate FIS Facility	476,141	476,141	-	-	-	-	-	476,141

Reconstruct Taxiway Alpha South Construction	223,718	223,718	-	-	-	-	-	223,718
Term Reno Phase II 2009A Bond	32,320,700	31,483,696	-	-	-	-	-	31,483,696
Term Reno Phase II 2009A Bond Financing	11,032,543	10,640,404	-	-	-	-	-	10,640,404
Westside Spill Gates	15,931	15,931	-	-	-	-	-	15,931
TARI Phase I - Road & Bridge Work	11,815,394	11,815,394	-	-	-	-	-	11,815,394
Total	62,644,419	61,415,276	-	-	-	-	-	61,415,276
APPLICATION 15:								
Reconstruct Rwy 2L-20R	4,010,198	4,010,198	-	-	-	-	-	4,010,198
Reconstruct Rwy 2L-20R Financing	2,752	2,752	-	-	-	-	-	2,752
Sprinkler System in Utility Tunnels	106,299	106,299	-	-	-	-	-	106,299
Terminal Roof Replacement	173,447	173,447	-	-	-	-	-	173,447
Total	4,292,696	4,292,696	-	-	-	-	-	4,292,696
APPLICATION 16:								
Upgrade Security Camera System	187,500	187,500	-	-	-	-	-	187,500
Airport Master Plan Update	1,472,042	1,472,042	-	-	-	-	-	1,472,042
Upgrade Stormwater Treatment Plant	120,000	120,000	-	-	-	-	-	120,000
Reconstruct Taxiways T4 & Sierra	3,226,155	3,226,155	-	-	-	-	-	3,226,155
Total	5,005,697	5,005,697	-	-	-	-	-	5,005,697
APPLICATION 17:								
Reconstruct Taxiway Kilo	2,569,517	2,569,517	-	-	-	-	-	2,569,517
PCI Airfield Inspection	48,483	48,483	-	-	-	-	-	48,483
Total	2,618,000	2,618,000	-	-	-	-	-	2,618,000
APPLICATION 18:							-	
Outbound Baggage and Check-in Counter Replacement	346,626	346,626	-	-	-	-	-	346,626
Reconstruct Taxiways B & T3	1,175,207	1,175,207	-	-	-	-	-	1,175,207
Total	1,521,833	1,521,833	-	-	-	-	-	1,521,833
APPLICATION 19:								
Improve Stormwater Collection & Treatment System	945,500	945,499	-	-	-	-	-	945,499
Reconstruct Runway 13-31 West	3,875,000	3,479,416	-	-	-	-	-	3,479,416
Total	4,820,500	4,424,915	-	-	-	-	-	4,424,915
APPLICATION 20:								
Reconstruct Taxiway Lima and Juliet East	2,700,000	1,882,125	-	-	-	-	-	1,882,125
Reconstruct Taxiway T3	2,200,000	1,407,796	-	-	-	-	-	1,407,796
Total	4,900,000	3,289,921	-	-	-	-	-	3,289,921
APPLICATION 21:								
Reconstruct Taxiway Sierra-PayGo	2,225,000	2,225,000	-	-	-	-	-	2,225,000
Reconstruct Taxiway Sierra-Bond	4,375,000	-	-	-	-	-	-	-
Reconstruct Taxiway Sierra-Financing	3,500,000	945,036	58,365	57,473	57,249	57,249	230,336	1,175,372
AOA Fence Line Perimeter Road	1,270,000	826,861	-	-	-	-	-	826,861
Terminal Generator Replacement	925,000	831,835	-	-	-	-	-	831,835
Switchgear Replacment, Ph IV	2,835,000	1,297,785	-	-	-	-	-	1,297,785

Metropolitan Nashville Airport Authority
Schedules of Collections and Expenditures of Passenger Facility Charges
For the Year Ended June 30, 2022

Terminal Remote Group Check-in	500,000	10,680	-	-	-	-	-	10,680
AHU & IAB HVAC Replacement	737,000	691,224	-	-	-	-	-	691,224
Concourse Curtain Wall Replacement	900,000	44,837	-	-	-	-	-	44,837
Total	17,267,000	6,873,258	58,365	57,473	57,249	57,249	230,336	7,103,594
APPLICATION 22:								
Reconstruct Txwy Bravo/Txwy Lima Intersection-Pay Go	4,900,000	3,763,074	-	-	-	-	-	3,763,074
Rehabilitate Txwy Lima (2L to L2) including the Lima/Alpha Intersection-Pay Go	6,850,000	5,331,763	-	-	-	-	-	5,331,763
Replace Stormwater Pipe-Pay Go	1,000,000	1,000,000	-	-	-	-	-	1,000,000
Rehabilitate Txwy Lima (T-4 to 2L)-Pay Go	5,730,663	1,159,634	-	-	-	-	-	1,159,634
Reconstruct Txwy Alpha South-Pay Go	13,100,000	10,964,362	-	-	-	-	-	10,964,362
Passenger Terminal Improvements, Phase 2-Jet Bridges-Pay Go	23,980,000	23,825,389	-	-	-	-	-	23,825,389
Passenger Terminal Improvements, Phase 2-Jet Bridges-Bond	8,420,000	-	-	-	-	-	-	-
Passenger Terminal Improvements, Phase 2-Jet Bridges-Financing	7,465,838	2,319,648	125,825	112,924	109,698	109,695	458,142	2,777,790
Passenger Terminal Improvements, Phase 2-Terminal Elevators-Pay Go	1,000,000	865,044	-	-	-	-	-	865,044
Passenger Terminal Improvements, Phase 2-Concourse FIDS & PA-Pay Go	4,760,000	3,977,157	129	133	-	14,603	14,864	3,992,022
Total	77,206,501	53,206,071	125,954	113,057	109,698	124,298	473,006	53,679,077
APPLICATION 23:								
Terminal Expansion and Rehabilitation Bond Capital	216,526,934	-	-	-	-	-	-	-
Terminal Expansion and Rehabilitation Financing and Interest	314,528,878	-	-	-	-	-	-	-
Total	531,055,812	-	-	-	-	-	-	-
Total Expenditures, net	946,938,055	370,307,078	184,319	170,530	166,947	181,547	703,342	371,010,420

1. General

The Schedules of Collections and Expenditures of Passenger Facility Charges presents the activity of the Passenger Facility Charge (PFC) program of the Metropolitan Nashville Airport Authority (the "Authority"), a component unit of the Metropolitan Government of Nashville and Davidson County, Tennessee. The information in the schedules is presented under the *Passenger Facility Charge Audit Guide for Public Agencies,* issued by the Federal Aviation Administration ("FAA"), and the requirements in 14 CRF 158.63.

PFCs are fees imposed on enplaning passengers by airports to finance eligible airport-related projects that preserve or enhance safety, capacity, or security of the national air transportation system, reduce noise from an airport that is part of such system, or furnish opportunities for enhanced competition between or among air carriers. Both the fee and intended projects must be reviewed and approved by the FAA.

2. Basis of Accounting

The accompanying Schedules of Collections and Expenditures of Passenger Facility Charges are presented using the cash basis of accounting.

3. Contingency

The Authority's PFC program is subject to review by the FAA. If any expenditures are disallowed as a result of such review, the Authority would be required to reimburse the PFC program. In the opinion of management, all PFC expenditures have been made in compliance with the rules and regulations of the PFC program.

Nashville International Airport

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION

The following is a summary of certain provisions of the Senior Bond Resolution and the Twenty-First Supplemental Senior Resolution. The summary does not purport to be complete or to follow the exact language of the Senior Bond Resolution and the Twenty-First Supplemental Senior Resolution and is subject in all respects to the detailed provisions of the Senior Bond Resolution and the Twenty-First Supplemental Senior Resolution, copies of which are available upon request at the office of the Authority. The capitalization of any word or phrase which is not otherwise defined in this Official Statement or under this caption or not conventionally capitalized indicates that such word or phrase is defined in the Senior Bond Resolution.

Definitions

"Additional Senior Bonds" means any Senior Bonds issued in accordance with the provisions described under "Additional Senior Bonds and Other Indebtedness – Additional Senior Bonds; Completion Senior Bonds; Senior Refunding Bonds."

"Airline" means any air transportation company at any time serving the Airport on the basis of one of the Leases.

"Airport" means Nashville International Airport, including any extensions, additions or improvements thereto.

"Airport Consultant" means a nationally recognized firm of consultants experienced in the field of the financial feasibility of airport revenue financing.

"Airport Facilities" means all facilities, equipment, improvements and structures, other than Special Facilities, made available by the Authority at the Airport System including, but without limitation, roadways, runways, aprons, taxiways, sewerage and water facilities, lighting facilities, aircraft control facilities, communication facilities, passenger and cargo handling facilities, aircraft maintenance, testing and storage facilities, fuel storage and sale facilities, ground transportation facilities, meteorological facilities and passenger terminal facilities.

"Airport Improvement Bond Redemption Fund" means the fund referred to in clause (iv) under "Funds and Accounts."

"Airport Improvement Bond Reserve Fund" means the fund referred to in clause (vi) under "Funds and Accounts."

"Airport Improvement Bond Reserve Fund Requirement" means the amount required to be maintained in the Airport Improvement Bond Reserve Fund with respect to such Series of Senior Bonds as provided in the Supplemental Resolution providing for the issuance thereof. The Airport Improvement Bond Reserve Fund Requirement for the Common Reserve Bonds has been established in the Twenty-First Supplemental Senior Resolution and means, unless otherwise provided in a Supplemental Resolution, the lesser of (i) the greatest amount of principal and interest payable on the Common Reserve Bonds in the then current or any future Fiscal Year, (ii) 125% of the average annual principal and interest payable on the Common Reserve Bonds, or (iii) 10% of the proceeds of the Common Reserve Bonds.

"Airport Improvement Construction Fund" means the fund referred to in clause (v) under "Funds and Accounts."

"Airport Improvement Principal and Interest Fund" means the fund referred to in clause (iii) under "Funds and Accounts."

"Airport Purpose" means any action or undertaking by the Authority reasonably related to the development and operation of the Airport System as a destination for air commerce or as industrial or commercial sites or related to the development and promotion of air transportation and commerce by air in the State generally and in the Metropolitan Government of Nashville and Davidson County air trade area in particular.

"Airport Revenues" means all income and revenue from all sources, without limitation except as expressly provided in the Senior Bond Resolution, collected or received by the Authority in the operation of the Airport System, including all rates, charges, rentals, fees and any other compensation collected, or received by the Authority in connection with the operation of the Airport System, any money transferred from the Nashville Airports Experience (NAE) Fund, all investment income earned by the Authority except as otherwise expressly provided in the Senior Bond Resolution and any amounts not constituting Airport Revenues which are deposited in the Revenue Fund to be applied in accordance with the provisions of the Senior Bond Resolution; but excludes (a) any income or revenue from any Special Facility (other than rental properly attributable to administrative and other expenses of the Airport System) at any time during which there are outstanding any Special Facility Revenue Bonds with respect to such Special Facility, (b) any grant or any similar payment from any government or public agency, (c) any arbitrage earnings which are required to be paid to the U.S. Government pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, and the rulings and regulations promulgated under the Senior Bond Resolution, (d) the proceeds of any Support Facility, (e) the proceeds of any passenger facility, customer facility or analogous charge or fee that may hereafter be levied (whether levied on the use of the Airport System, on transportation, or otherwise) which are received and retained by the Authority, and (f) earnings on amounts on deposit in the Construction Fund; provided, however, that, for purposes of calculating the coverage requirements set forth under the caption "Senior Rate Covenant," transfers from the Nashville Airports Experience (NAE) Fund (1) shall consist only of deposits made to the Nashville Airports Experience (NAE) Fund in a prior Fiscal Year and (2) shall not exceed 25% of Debt Service on all Senior Bonds Outstanding.

"Airport System" means the Airport, John C. Tune Airport including any extensions, additions or improvements thereto, and includes any other air transportation related facilities added to the definition of Airport System by resolution of the Authority.

"Annual Budget" means the capital and operating budget of the Authority approved by the Board.

"Authority" means the Metropolitan Nashville Airport Authority, a Tennessee public and governmental body created pursuant to Chapter 4 of Title 42 of Tennessee Code Annotated.

"Board" means the Board of Commissioners of the Authority.

"Bondholder" and "holder" means the registered owner of a Senior Bond.

"Common Reserve Bonds" means one or more Series of Senior Bonds designated as such in a Supplemental Resolution for which Series of Senior Bonds one account will be established and maintained in the Airport Improvement Bond Reserve Fund in accordance with the provision described under "−Provisions Not Yet Effective−Changes to Which the Holders of the Series 2022 Senior Bonds Are Deemed to Be Consenting That Are Effective Upon the Issuance of the Series 2022 Senior Bonds; Airport

Improvement Bond Reserve Fund." The Series 2022 Senior Bonds and the Series 2015A Senior Bonds and the Series 2015B Senior Bonds have been designated as Common Reserve Bonds in the Twenty-First Supplemental Senior Resolution.

"Costs of Construction" includes, generally, all costs and expenses necessary or desirable and appertaining or incident to construction, acquisition, undertaking or implementing of any Project, as estimated or otherwise ascertained by the Authority as specified in the Senior Bond Resolution.

"Debt Service" means the total, as of any particular date of computation and for any particular period or year, of the aggregate amount required pursuant to the Senior Bond Resolution to be deposited during such period or year in the Airport Improvement Principal and Interest Fund to provide for the payment of interest on the Senior Bonds (to the extent not capitalized), to provide for the payment at maturity of the Senior Bonds issued in serial form and to provide for the retirement or mandatory sinking fund redemption of any of the Senior Bonds issued in term form. For the purposes of computing Debt Service with respect to a Series of Senior Bonds issued as Variable Rate Senior Bonds, the interest rate per annum thereon will be determined as follows: (a) with respect to a Series of Variable Rate Senior Bonds Outstanding at the time of calculation, (i) for the purpose of complying with the provisions of the Senior Rate Covenant, the interest rate per annum will be calculated at the weighted average interest rate per annum borne by such issue of Variable Rate Senior Bonds (computed on an actual day basis) for the twelve month period then ended at the time of calculation, and (ii) for the purpose of the Senior Additional Bonds Test, the interest rate per annum will be calculated on the basis of, and (b) with respect to a Series of Variable Rate Senior Bonds proposed to be issued, the interest rate per annum will be assumed to be, the highest of: (i) the actual rate on the date of calculation, or if the Senior Bonds are not yet Outstanding, the initial rate (if established and binding) (ii) if the Senior Bonds have been Outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation, and (iii) (1) if interest on the Senior Bonds is excludable from gross income under the applicable provisions of the Internal Revenue Code, the most recently published Revenue Bond Index, or (2) if interest is not so excludable, the interest rate on direct U. S. Treasury obligations with comparable maturities; provided, however, that if the Authority enters into an Integrated Swap Agreement with respect to a Series of Variable Rate Senior Bonds that provides for fixed payments to be made by the Authority, the interest rate thereon will be determined as follows: (a) with respect to a Series of Variable Rate Senior Bonds at the time of calculation then Outstanding for which the Integrated Swap Agreement in effect, the interest rate will be the sum of (i) the fixed interest rate established under the Integrated Swap Agreement and (ii) to the extent that variable rate payments under the Integrated Swap Agreement are based on an interest index and not the Authority's actual variable rate on the variable Rate Senior Bonds, the greatest difference between such index and the variable interest rates actually paid during the prior twelve or three months, whichever is highest, and (b) with respect to Variable Rate Senior Bonds then proposed to be issued, the fixed interest rate established under the Integrated Swap Agreement. If the principal coming due with respect to any Series of Senior Bonds in any year exceeds by more than 25% the amount coming due on all Senior Bonds of such Series in any prior year in which principal is payable, principal payments on such Series will be calculated as if the principal of such Series matures in annual installments resulting in approximately level debt service for all Senior Bonds of such Series over the term of such Series to maturity.

"Designated Financial Officer" means any financial officer of the Authority so designated by the Board.

"Financial Institution" means any issuer or issuers of the Support Facility, its successors and assigns.

"Fiscal Year" means the period beginning on July 1 of each year and ending on the last day of June of the next succeeding year.

“Governmental Obligations” means (i) direct general obligations of, or obligations the payment of the principal and interest of which are unconditionally guaranteed by, the United States of America which are non-callable or redeemable only at the option of the holder and which at the time are legal investments for the moneys proposed to be invested therein, (ii) receipts, certificates or other similar documents evidencing ownership of future interest or principal payments due on direct obligations of the United States of America held in a custody or trust account by a commercial bank (having at least $20,000,000 in capital stock, surplus and undivided profits) pursuant to a custody or trust agreement, (iii)(A) direct and general obligations, to the payment of the principal of and interest on which the full faith and credit of the issuer is pledged, of any of the following: any state of the United States, or any political subdivision of any such state; provided that (1) as to such obligations of a political subdivision, all the taxable real property within such political subdivision will be subject to taxation thereby to pay such obligations and the interest thereon, without limitation as to rate or amount, and (2) at the time of their purchase under the Senior Bond Resolution, such obligations of any such state or political subdivision are rated in either of the two highest rating categories by two nationally recognized bond rating agencies, or (B) long-term obligations of any state or any political subdivision thereof the entire principal of and interest on which is insured pursuant to an irrevocable municipal bond insurance policy and which obligations are rated by two nationally recognized bond rating agencies in the highest rating category or (iv) Refunded Municipal Obligations.

“Hedge Agreement” means an interest rate swap or exchange agreement, including an Integrated Swap Agreement, a payment exchange agreement, forward purchase agreement or any other hedge agreement entered into by the Authority for any purpose providing for payments between the parties based on levels of, or changes in, interest rates, stock or other indices or contracts to exchange cash flows or a series of payments or contracts, including without limitation, interest rate floors or caps, options, puts or calls to hedge payment, rate, spread or similar risk.

“Integrated Swap Agreement” means any interest rate swap agreement entered into by the Authority with respect to a Series of Senior Bonds having a notional amount equal to the principal amount of such Series of Senior Bonds and pursuant to which the Authority agrees to make payments on the basis of (a) a fixed rate of interest or (b) a variable rate of interest.

“Integrated Swap Agreement Payments” means payments made pursuant to an Integrated Swap Agreement on the basis of fixed or variable rates of interest; specifically excluding, however, termination payments, fees, expenses and other amounts payable under an Integrated Swap Agreement not specifically made on the basis of interest rates.

“Interest Increment Amount” means, as of any particular date of computation and for any particular period or year, with respect to any Variable Rate Senior Bonds the difference, if any, between the rate of interest per annum borne by Variable Rate Senior Bonds in accordance with their terms as set forth in the Supplemental Resolution providing for the issuance thereof for all holders other than a Financial Institution and the rate such Variable Rate Senior Bonds bear when such Variable Rate Senior Bonds are held by a Financial Institution.

“Interest Payment Date” means, with respect to any particular Series of Senior Bonds, any date on which interest is payable on such Series of Senior Bonds as such date will be established in the Supplemental Resolution providing for the issuance of such Series of Senior Bonds.

“Lease” and “Leases” means those certain Signatory Airline Use and Lease Agreements with respect to the Airport entered into by the Authority as lessor and the Airlines as lessees, and including any other substantially similar Lease Agreement which may be entered into after the date of the Senior Bond Resolution between the Authority and another Airline, in each case as the same may be amended from time to time.

“Nashville Airports Experience (NAE) Fund” means the fund referred to in clause (xi) under “Funds and Accounts.”

“Net Revenues” means (i) for any past period or year which has concluded at the time a calculation was made the aggregate of the Airport Revenues minus the Operating Expenses for such past period or year; and (ii) for any future period or year the aggregate of the estimated Airport Revenues, minus the estimated Operating Expenses for such future period.

“Operations and Maintenance Reserve Fund” means the fund referred to in clause (ix) under “Funds and Accounts.”

“Operating Expenses” means, with respect to any period of time, all necessary and reasonable expenses incurred (whether paid or accrued) in the maintenance, operation, administration and insuring of the Airport System, including, without limitation, (a) salaries, wages and costs of fringe benefits including employee pension or retirement plans, health insurance, and other fringe benefits provided the aggregate cost of such fringe benefits are comparable to those provided employees of airports of similar size as the Airport System, (b) payments made to The Metropolitan Government of Nashville and Davidson County for contract services actually performed, and (c) costs of materials, supplies and contractual services; but will not include any of Authority’s expenses, if any, related to the operation, maintenance, administration, insuring, construction or modification of any Special Facility or the cost of any service provided by a governmental agency for which no charge is paid by the Authority; and total Operating Expenses will be reduced by any reimbursement received by the Authority from any source on account of Operating Expenses. The term “Operating Expenses” will not include: (1) any allowance for depreciation or any amounts for capital replacements or reserves therefor; (2) costs of extensions, enlargements, betterments and improvements to the Airport System or reserves therefor; (3) reserves for operation, maintenance, renewals and repairs occurring in the normal course of business; (items (1), (2), (3) will be computed using generally accepted accounting principles), (4) payment (including redemption) of Senior Bonds or other evidences of indebtedness or interest and premium thereof or reserves therefor and (5) any arbitrage earnings which are required to be paid to the U.S. Government pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, and the rulings and regulations promulgated under the Senior Bond Resolution.

“Operating Fund” means the fund referred to in clause (ii) under “Funds and Accounts.”

“Other Obligations” means any obligations issued in accordance with the provisions described under “Additional Senior Bonds and Other Indebtedness—Subordinate Lien Obligations.”

“Outstanding” when used with reference to Senior Bonds, subject to the provisions of the Senior Bond Resolution, means as of any particular time all the Senior Bonds authenticated and delivered by the Registrar under the Senior Bond Resolution, except

(a) Senior Bonds theretofore cancelled by the Registrar or delivered to the Registrar cancelled or for cancellation;

(b) Senior Bonds for the payment or redemption of which money or securities in the necessary amount have been deposited with the Paying Agent, and with respect to Senior Bonds to be redeemed prior to maturity, notice of such redemption will have been provided for; and

(c) Senior Bonds in substitution for which other Senior Bonds have been authenticated and delivered pursuant to the terms of the Senior Bond Resolution.

For purposes of the Senior Bond Resolution, in the event any Senior Bonds are issued and sold at a price such that a portion of all of the interest thereon is intended to be earned by accrual of original issue discount, the amount of such Senior Bonds deemed to be Outstanding for the purpose of calculating the principal amount of any such Senior Bonds and the principal amount of Senior Bonds Outstanding in connection with the exercise of any voting right or privilege, the giving of any consent or direction or the taking of any other action that the holders of the Senior Bonds are entitled to take pursuant to the Senior Bond Resolution otherwise, will be the accreted value thereof, determined in accordance with the Senior Bond Resolution. Unless otherwise provided in the Supplemental Resolution providing for the issuance of a Series of Senior Bonds, this paragraph apply only to issues with an original issue discount in excess of 5% from the par amount thereof.

"Paying Agent" means with respect to a Series of Senior Bonds, the Paying Agent appointed for such Series of Senior Bonds by the Authority.

"PFC Revenues" means the proceeds of any passenger facility or analogous charge or fee that is now or may hereafter be levied (whether levied on the use of the Airport System, on transportation, or otherwise) which are received and retained by the Authority and any investment earnings thereon.

"Prior Outstanding Senior Bonds" means the Series 2003B Senior Bonds, the Series 2015A Senior Bonds and the Series 2015B Senior Bonds.

"Project" means a project for any Airport Purpose to be financed from the proceeds of Senior Bonds as defined in a Supplemental Resolution of the Authority.

"Qualified Investments" means any of the following which at the time are legal investments under the laws of the State of Tennessee for the moneys held under the Senior Bond Resolution and then proposed to be invested therein:

(1) direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, provided, that the full faith and credit of the United States of America must be pledged to any such direct obligation or guarantee ("Direct Obligations");

(2) direct obligations and fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States; consolidated debt obligations and letter of credit-backed issues of the Federal Home Loan Banks; participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation ("FHLMCs"); debentures of the Federal Housing Administration; mortgage-backed securities (except stripped mortgage securities which are valued greater than par on the portion of unpaid principal) and senior debt obligations of the Federal National Mortgage Association ("FNMAs"); participation certificates of the General Services Administration; guaranteed mortgage-backed securities and guaranteed participation certificates of the Government National Mortgage Association ("GNMAs"); guaranteed participation certificates and guaranteed pool certificates of the Small Business Administration; debt obligations and letter of credit-backed issues of the Student Loan Marketing Association; local authority bonds of the U.S. Department of Housing & Urban Development; guaranteed Title XI financings of the U.S. Maritime Administration; guaranteed transit bonds of the Washington Metropolitan Area Transit Authority; Resolution Funding Corporation securities.

(3) direct obligations of any state of the United States of America or any subdivision or agency thereof (a) whose unsecured, uninsured and unguaranteed general obligation debt is rated, at the time of purchase, "A" or better by Moody's Investors Service and "A" or better by

Standard & Poor's Corporation, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured, uninsured and unguaranteed general obligation debt is rated, at the time of purchase, "A" or better by Moody's Investors Service and "A" or better by Standard & Poor's Corporation;

(4) commercial paper (having original maturities of not more than 270 days) rated, at the time of purchase, "P-1" by Moody's Investors Service and "A-1" or better by Standard & Poor's Corporation;

(5) Federal funds, unsecured certificates of deposit, time deposits or bankers acceptances (in each case having maturities of not more than 365 days) of any domestic bank including a branch office of a foreign bank which branch office is located in the United States, provided legal opinions are received to the effect that full and timely payment of such deposit or similar obligation is enforceable against the principal office or any branch of such bank, which, at the time of purchase, has a short-term "Bank Deposit" rating of "P-1" by Moody's and a "Short-Term CD" rating of "A-1" or better by S&P.

(6) deposits of any bank or savings and loan association which has combined capital, surplus and undivided profits of not less than $3 million, provided such deposits are continuously and fully insured by the Bank Insurance Fund or the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation;

(7) investments in money-market funds rated "AAAm" or "AAAm-G" by Standard & Poor's Corporation;

(8) repurchase agreements collateralized by Direct Obligations, GNMAs, FNMAs or FHLMCs with any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction or any commercial bank insured by the FDIC, if such broker/dealer or bank has an uninsured, unsecured and unguaranteed obligation rated "P-1" or "A3" or better by Moody's Investors Service, and "A-1" or "A-" or better by Standard & Poor's Corporation, provided:

a. a master repurchase agreement or specific written repurchase agreement governs the transaction; and

b. the securities are held free and clear of any lien by an independent third party acting solely as agent ("Agent") for the Bondholders, and such third party is (i) a Federal Reserve Bank, (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than $50 million or (iii) a bank approved in writing for such purpose by Financial Guaranty Insurance Company, and the Authority has received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Bondholders; and

c. a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of the Bondholders; and

d. the repurchase agreement has a term of 180 days or less, and the Agent will value the collateral securities no less frequently than weekly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two business days of such valuation; and

e. the fair market value of the securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 103%.

(9) Any additional investment approved by each Financial Institution.

"Refunded Municipal Obligations" means obligations of any state or any political subdivision thereof, the District of Columbia or possession of the United States of America which obligations are rated in the highest rating category by Moody's Investors Service and Standard & Poor's Corporation and provision for the payment of the principal of and interest on which has been made by deposit with a trustee or escrow agent of direct obligations of the United States of America, which are held by a bank or trust company organized and existing under the laws of the United States of America or any state, the District of Columbia or possession thereof in the capacity as custodian, the maturing principal of and interest on which obligations when due and payable is sufficient to pay when due the principal of and interest on such obligations of such state, political subdivision, the District of Columbia, or possession.

"Registrar" means with respect to a Series of Senior Bonds, the Registrar appointed for such Series of Senior Bonds by the Authority.

"Remarketing Agent" means with respect to a Series of Senior Bonds the Remarketing Agent appointed by the Authority and serving as such under the Remarketing Agreement for such Series, including any successors or assigns.

"Remarketing Agreement" means with respect to any Series of Variable Rate Senior Bonds the agreement entered into by the Authority with a Remarketing Agent which provides for the purchase and remarketing of such Variable Rate Senior Bonds, as such agreement may be supplemented and amended from time to time.

"Renewal and Replacement Fund" means the fund referred to in clause (x) under "Funds and Accounts."

"Revenue Bond Index" means the thirty (30) year Revenue Bond Index of The Bond Buyer, a publication in New York, New York, or any successor publication maintaining such Index or in the event The Bond Buyer or any successor publication does not maintain such Index, an equivalent index with the same components as the Revenue Bond Index.

"Revenue Fund" means the fund referred to in clause (i) under "Funds and Accounts."

"Senior Additional Bonds Test" means the test set forth in clause (2) under the caption "Additional Senior Bonds and Other Indebtedness – Additional Senior Bonds."

"Senior Bond Resolution" means the Resolution No 91-09, adopted by the Board on August 15, 1991, as amended and supplemented from time to time, and, unless the context will clearly indicate otherwise, will include all Supplemental Resolutions.

"Senior Bonds" or "Senior Bond" means or have reference to bonds from time to time authenticated and delivered under the Senior Bond Resolution, including the Prior Outstanding Senior Bonds and bonds of other Series issued on a parity with such Series of Senior Bonds pursuant to the Senior Bond Resolution.

"Senior Rate Covenant" means the rate covenant of the Authority described under the caption "Senior Rate Covenant."

"Senior Refunding Bonds" shall have the meaning described under the caption "Additional Senior Bonds and Other Indebtedness—Senior Refunding Bonds."

"Series" or "Series of Senior Bonds" means any particular Series of Senior Bonds issued pursuant to a Supplemental Resolution in accordance with the Senior Bond Resolution.

"Series 2003B Senior Bonds" means the Authority's Airport Improvement Revenue Senior Bonds, Series 2003B currently outstanding in the principal amount of $10,725,000 and having a final maturity of July 1, 2033.

"Series 2015A Senior Bonds" means the Authority's Airport Improvement Revenue Senior Bonds, Series 2015A currently outstanding in the principal amount of $82,740,000 and having a final maturity of July 1, 2045.

"Series 2015B Senior Bonds" means the Authority's Airport Improvement Revenue Senior Bonds, Series 2015B currently outstanding in the principal amount of $97,690,000 and having a final maturity of July 1, 2045.

"Series 2022 Senior Bonds" means the Authority's $94,525,000 Airport Improvement Revenue Senior Bonds, Series 2022A and $501,560,000 Airport Improvement Revenue Senior Bonds, Series 2022B.

"Special Facility" means any hangar, maintenance building or other facility or structure acquired or constructed at the Airport System for the use of one or more but not all of the Airlines or other Airport System tenant, and being used as a Special Facility, the entire cost of which has been paid from the proceeds of Special Facility Revenue Bonds, and with respect to which Special Facility the Authority has entered into a lease or installment sale contract under which rentals or other amounts payable to the Authority must be at least sufficient to pay (a) the entire amount of principal of and interest on Special Facility Revenue Bonds issued to pay the cost of the Special Facility, reserves established in connection with such Special Facility Revenue Bonds, and all other expenses in connection therewith, (b) the Authority's expenses, if any, of operating and maintaining the Special Facility, and (c) administrative and other expenses of the Airport System properly attributable to the Special Facility.

"Special Facility Revenue Bonds" means bonds or other obligations issued by the Authority to pay the cost of acquiring, constructing, improving or adding to any Special Facility, or to refund any such bonds or other obligations.

"State" means the State of Tennessee.

"Supplemental Resolution" means any supplemental resolution adopted by the Authority pursuant to and in compliance with the provisions of the Senior Bond Resolution authorizing the issuance of Senior Bonds or amending or supplementing the provisions of the Senior Bond Resolution as originally adopted or as theretofore amended or supplemented.

“Support Agreement” means the agreement, if any, entered into by the Authority which provides for a Support Facility, and any and all modifications, alterations, amendments and supplements thereto.

“Support Facility” means any instrument entered into or obtained in connection with a Series of Senior Bonds such as a letter of credit, a committed line of credit, insurance policy, surety bond or standby bond purchase agreement, or any combination of the foregoing, and issued by a bank or banks, other financial institution or institutions, or any combination of the foregoing, which Support Facility provides for the payment of either (i) the purchase price equal to the principal of and accrued interest on Senior Bonds delivered to the Remarketing Agent or any depository, tender agent or other party pursuant to a Remarketing Agreement or Supplemental Resolution and discount, if any, incurred in remarketing such Senior Bonds, or (ii) principal of and interest on all Senior Bonds becoming due and payable during the term thereof, or both.

“Twenty-First Supplemental Senior Resolution” means the Twenty-First Supplemental Resolution adopted by the Authority on October 19, 2022.

“Trustee” means U.S. Bank Trust Company, National Association, trustee under the Senior Bond Resolution and its successors in trust.

“Variable Rate Senior Bonds” means any Senior Bonds issued bearing interest at a rate per annum subject to adjustment from time to time pursuant to the terms thereof and calculated in a manner which precludes the actual rate for the entire term of such debt from being ascertainable in advance. For the purposes of this definition, Senior Bonds will not be considered to be Variable Rate Senior Bonds upon the establishment of or conversion of the rate of interest thereon to a fixed interest rate.

Additional Senior Bonds and Other Indebtedness

Additional Senior Bonds. The Authority will issue no Senior Bonds or other obligations secured by a lien on Net Revenues on a parity with the Senior Bonds under the Senior Bond Resolution except on the following conditions and/or as set forth under “Completion Senior Bonds; Senior Refunding Bonds; Variable Rate Senior Bonds; Hedge, Support and Other Financial Agreements” below:

(1) The Designated Financial Officer has found and determined that no Event of Default exists under the Senior Bond Resolution.

(2) Either (i) the Designated Financial Officer has certified that, based on the latest available audited financial statements of the Authority the Airport Revenues after deducting Operating Expenses for that Fiscal Year as derived from said audited financial statements has equaled not less than one hundred percent of average Debt Service on all Senior Bonds Outstanding and the Senior Bonds of the Series then proposed to be issued and any amounts required to be deposited in the Airport Improvement Bond Reserve Fund to make up any deficiencies therein; or (ii) an Airport Consultant has certified that estimated Airport Revenues after deducting Operating Expenses to be derived in each of the three full Fiscal Years following the Fiscal Year in which (a) the Authority estimates a substantial portion of the Project or Projects, the costs of acquisition or construction of which are to be financed by the issuance of such Additional Senior Bonds, will be placed in continuous service or in commercial operation or (b) refunding Senior Bonds are issued, will equal not less than one hundred twenty-five percent of the Debt Service on all Senior Bonds to be Outstanding upon the issuance of such Additional Senior Bonds and including such Additional Senior Bonds and one hundred percent of any amounts required to be deposited in the Airport Improvement Bond Reserve Fund to make up any deficiencies therein.

Completion Senior Bonds. The Authority may, without complying with the provisions of the Senior Additional Bonds Test, issue one or more Series of Senior Bonds for the purpose of completing any Project for which Senior Bonds have been previously issued. Prior to the issuance of any Series of such Senior Bonds the Authority must find and determine that such Project has not been materially changed in scope since the issuance of the initial Series of Senior Bonds for such purpose and that the issuance of such Senior Bonds is necessary to provide funds for the completion of the Project.

Senior Refunding Bonds. The Authority may issue one or more Series of Senior Bonds (herein defined and referred to as "Senior Refunding Bonds") under the Senior Bond Resolution without complying with Senior Additional Bonds Test in the following cases:

(1) Senior Bonds may be issued for the purpose of refunding (including by purchase) within one year prior to maturity any Senior Bond for the payment of which sufficient Airport Revenues are not available. Any Senior Refunding Bond issued for such purpose must mature not (and no sinking fund installments therefor may commence) earlier than the latest stated maturity of any Senior Bond not refunded to be Outstanding after such refunding.

(2) Senior Bonds bearing a fixed rate of interest may be issued at any time for the purpose of refunding (including by purchase) at any time any Senior Bonds bearing a fixed rate of interest, including amounts to pay principal, redemption premium and interest to the date of maturity or redemption (or purchase) and the expenses of issuing the Senior Refunding Bonds and of effecting such refunding, provided that the Debt Service on all Senior Bonds to be Outstanding after the issuance of the Senior Refunding Bonds must not be greater in any Fiscal Year in which Senior Bonds not refunded will remain Outstanding than would have been the Debt Service on Senior Bonds in any such Fiscal Year were such refunding not to occur.

(3) Variable Rate Senior Bonds may be issued at any time for the purpose of refunding (including by purchase) at any time any Senior Bonds bearing a fixed rate of interest, including amounts to pay principal, redemption premium and interest to the date of maturity or redemption (or purchase) and the expenses of issuing the Senior Refunding Bonds and of effecting such refunding, provided that the Debt Service on all Senior Bonds to be Outstanding after the issuance of the Senior Refunding Bonds (assuming such Variable Rate Senior Bonds bear a fixed rate of interest equal to the highest of: (i) the actual rate on the date of calculation, or if the Senior Bonds are not yet Outstanding, the initial rate (if established and binding), (ii) if the Senior Bonds have been Outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation, and (iii) (1) if interest on the Senior Bonds is excludable from gross income under the applicable provisions of the Internal Revenue Code, the most recently published Revenue Bond Index, or (2) if interest is not so excludable, the interest rate on direct U. S. Treasury obligations with comparable maturities must not be greater in any Fiscal Year in which Senior Bonds not refunded will remain Outstanding than would have been the Debt Service on Senior Bonds in any such Fiscal Year were such refunding not to occur.

Special Facility Revenue Bonds. The Authority may issue Special Facility Revenue Bonds without regard to the Senior Additional Bonds Test, if the lease or installment sale contract securing such Special Facility Revenue Bonds must make provision for amounts payable to the Authority, as Airport Revenues, properly attributable to the Special Facility as administrative and other expenses of the Airport System; provided, however, that the construction of a Special Facility and the issuance of Special Facility Revenue Bonds must not result in a reduction in Net Revenues or otherwise impair the security afforded Bondholders under the Senior Bond Resolution.

Subordinate Lien Obligations. The Authority may issue bonds, notes, certificates, warrants or other evidences of indebtedness for any corporate use or purpose of the Authority relating to the Airport System payable as to principal and interest from the Airport Revenues subject and subordinate, and secured by a lien and pledge on the Airport Revenues junior and inferior, to the lien and pledge on the Net Revenues created in the Senior Bond Resolution for the payment and security of the Senior Bonds.

Variable Rate Senior Bonds. The Authority may issue Variable Rate Senior Bonds. The Supplemental Resolution or Resolutions providing for the issuance of such Variable Rate Senior Bonds may provide for the Authority to obtain Support Facilities or alternate Support Facilities and enter into Support Agreements in connection therewith, enter into Remarketing Agreements and appoint Remarketing Agents in accordance with standards specified in the Supplemental Resolution, provide for interest to be payable or redetermined on such dates and to accrue over such periods as set forth in such Supplemental Resolution, provide for the determination or establishment of rates of interest based on determinations of a Remarketing Agent, market auction procedures or the establishment, use, composition, adjustment and change of interest indices or the establishment and use of alternate interest indices or the establishment of a fixed interest rate or rates, provide for an Interest Increment Amount, provide for the establishment of special funds and accounts in connection with the issuance of such Variable Rate Senior Bonds, provide for special redemption or purchase provisions for such Variable Rate Senior Bonds and establish notice provisions in connection with the purchase, redemption, delivery or tender of such Variable Rate Senior Bonds.

Other Credit Provisions. The Authority may agree to such terms, provisions, covenants and agreements with the provider of a Support Facility with respect to a Series of Senior Bonds and may incorporate such terms, provisions and covenants into the Supplemental Resolution providing for the issuance of such Series of Senior Bonds; provided such terms, provisions, covenants and agreements must not adversely affect the holders of any other Series of Senior Bonds. Any such term, provision, covenant or agreement which adversely affects the holders of any other Series of Senior Bonds will be of no force and effect.

Hedge, Support and Other Financial Agreements. The Authority may enter into Hedge Agreements, Support Agreements or other financial agreements under which payments (including but not limited to, fees, charges, expenses but excluding any termination, indemnification or other payments intended to pay any person for loss of benefits under such agreement) are payable from Net Revenues and secured by a lien on and pledge of Net Revenues on a parity with the lien on and pledge of the Net Revenues created for the payment and security of the Senior Bonds; provided such payments must meet the Senior Additional Bonds Test; provided, further, that Integrated Swap Agreement Payments will be treated as payment of interest on Senior Bonds. In the event any such payments, other than payments constituting principal of, premium, if any, and interest on, Senior Bonds, will be secured by a lien on and pledge of Net Revenues on a parity with the lien on and pledge of the Net Revenues created for the payment and security of the Senior Bonds, a separate account must be established in the Airport Improvement Principal and Interest Fund for the payment thereof and payments to such account must be made ratably from Net Revenues at the time Net Revenues are disbursed to the other accounts in the Airport Improvement Principal and Interest Fund pursuant to (c) under "Application of Airport Revenues." For the purposes of the Senior Rate Covenant and Senior Additional Bonds Test, and for any other provision of the Senior Bond Resolution as otherwise appropriate, any obligation to make payments which are payable from Net Revenues and secured by a lien on and pledge of Net Revenues on a parity with the lien on and pledge of the Net Revenues created for the payment and security of the Senior Bonds as provided in this paragraph will be deemed and treated as a "Senior Bond" under the Senior Bond Resolution.

Passenger Facility Charges. The Authority may by Supplemental Resolution, upon complying with the Senior Additional Bonds Test, (i) grant as additional security a pledge of and lien on, and a security interest for the benefit of Bondholders in, PFC Revenues to a particular Series of Senior Bonds ("PFC Bonds") issued under the Senior Bond Resolution, and (ii) provide that, upon compliance with such terms and provisions as may be set forth in the Supplemental Resolution providing for the issuance thereof, such Series of PFC Bonds will be secured solely by a pledge of and lien on such PFC Revenues. In the event the Supplemental Resolution providing for the issuance of a Series of PFC Bonds also contains provisions as set forth in (ii), the Authority must set forth in a separate resolution (a "PFC Resolution") adopted prior to the time such Series of PFC Bonds is issued the terms and provisions of which will apply to such Series of PFC Bonds at such time as such PFC Bonds are no longer secured by the Net Revenues.

In the event the Authority issues a Series of PFC Bonds, the following provisions will apply so long as such Series of PFC Bonds are Outstanding under the Senior Bond Resolution:

(i) PFC Revenues must be segregated in a separate account in the Revenue Fund (the "Segregated Account") and must be disbursed solely as follows to the following accounts in the order of priority as set forth below and, to the extent any PFC Revenues remain in such Segregated Account at the end of a Fiscal Year, may be transferred to and deposited in a separate fund or account established under the PFC Resolution and may be applied to any lawful purpose:

(1) an interest account in the Airport Improvement Principal and Interest Fund in which must be deposited PFC Revenues necessary to pay interest on such Series of PFC Bonds.

(2) a principal account in the Airport Improvement Principal and Interest Fund in which must be deposited PFC Revenues necessary to pay principal of such Series of PFC Bonds.

(3) an account in the Airport Improvement Bond Reserve Fund in which must be deposited PFC Revenues necessary to maintain such account in amount established in the Supplemental Resolution providing for the issuance of such Series of PFC Bonds.

(ii) The PFC Revenues will be treated as Airport Revenues for the purposes of the Senior Rate Covenant and the Senior Additional Bonds Test.

(iii) PFC Revenues consisting of investment earnings must be deposited in the Revenue Fund, credited to the Segregated Account and applied in the same manner as all other PFC Revenues on deposit therein. Investment earnings on the proceeds of a Series of PFC Bonds (a) on deposit in the Airport Improvement Construction Fund must be retained therein and applied to the same purposes as the proceeds of such Series of PFC Bonds and after completion of any Project financed with said Series of PFC Bonds must be deposited in Revenue Fund for credit to the Segregated Account, (b) on deposit in an account in the Airport Improvement Bond Reserve Fund must be deposited in the Revenue Fund for credit to the Segregated Account. All excess proceeds of any Series of PFC Bonds, whether in the Airport Improvement Construction Fund or the Airport Improvement Bond Reserve Fund, must be deposited in Revenue Fund for credit to the Segregated Account.

(iv) To the extent there is any deficiency in any account referred to in clause (i) above, PFC Revenues credited to the Segregated Account must be applied to make up any such deficiency in any such account, and in the event PFC Revenues credited to the Segregated Account are insufficient to make up such deficiency, Net Revenues must be credited to said account in an amount necessary, together with the PFC Revenues on deposit therein, to make up such deficiency. To the extent Net Revenues are credited to any account to make up any deficiency and PFC

Revenues subsequently become available prior to the expenditure of such Net Revenues, such Net Revenues must be immediately restored to the Revenue Fund.

At such time as such Series of PFC Bonds is no longer secured by the Net Revenues, such PFC Bonds will be deemed to be no longer Outstanding under the Senior Bond Resolution and will be outstanding solely for the purpose of the PFC Resolution. Any PFC Revenues on credit to the Segregated Account and proceeds of the Series of PFC Bonds, whether on deposit in the Airport Improvement Construction Fund or Airport Improvement Bond Reserve Fund, held under the Senior Bond Resolution must be transferred to and applied in the manner provided in the PFC Resolution.

Funds and Accounts

The funds listed in (i) and (ii) below were continued under the Senior Bond Resolution. All other funds listed below were created under the Senior Bond Resolution. All such funds are held and administered by the Authority.

(i) Revenue Fund;

(ii) Operating Fund;

(iii) Airport Improvement Principal and Interest Fund Principal and Interest Fund, and therein an Interest Account and a Principal Account for one or more Series of Senior Bonds;

(iv) Airport Improvement Bond Redemption Fund;

(v) Airport Improvement Construction Fund;

(vi) Airport Improvement Bond Reserve Fund, and therein an account with respect to one or more Series of Senior Bonds;

(vii) Commitment Fee Fund;

(viii) Support Facility Fund;

(ix) Operations and Maintenance Reserve Fund;

(x) Renewal and Replacement Fund; and

(xi) Nashville Airports Experience (NAE) Fund.

Revenue Fund. All Airport Revenues are required to be deposited in the Revenue Fund and will be disbursed as described below under "—Application of Airport Revenues."

Operating Fund. Amounts on deposit in the Operating Fund used solely for the purpose of paying Operating Expenses.

Airport Improvement Principal and Interest Fund. An Interest Account and a Principal Account for each Series of Senior Bonds is required to be established in the Airport Improvement Principal and Interest Fund and amounts on deposit in each Principal and Interest Account will be disbursed solely for the purpose of paying principal of and interest on the Senior Bonds of the Series for which such accounts were created as the same come due, and to the full extent of money therein available for that purpose, to redeem Senior Bonds of the Series for which such accounts were created in the manner provided in the

Senior Bond Resolution, and may not be applied to the payment of principal of or interest on any other Series of Senior Bonds.

Airport Improvement Bond Redemption Fund. Amounts on deposit in the Airport Improvement Bond Redemption Fund will be disbursed solely for the purpose of paying principal of and interest due on Senior Bonds called for redemption or otherwise paid in advance of maturity.

Airport Improvement Construction Fund. Amounts on deposit in the Airport Improvement Construction Fund will be disbursed to pay Costs of Construction in the manner provided in the Senior Bond Resolution.

Airport Improvement Bond Reserve Fund. An account with respect to each Series of Senior Bonds is required to be established and maintained in the Airport Improvement Bond Reserve Fund. Amounts on deposit in each such account must be disbursed solely for the purpose of paying principal of and interest on Senior Bonds of the Series for which such account was established for the payment of which there is insufficient money in the Airport Improvement Principal and Interest Fund and the holders of any other Series of Senior Bonds has no right to payment of principal of or interest on Senior Bonds from or lien on amounts on deposit in such account. The Airport Improvement Bond Reserve Fund Requirement must be determined at the time of issuance of each Series of Senior Bonds, July 1 of each year and such other time or times as the Authority hall determine. The Airport Improvement Bond Reserve Fund Requirement with respect to any Series of Senior Bonds and the manner in which such Airport Improvement Bond Reserve Fund Requirement is initially funded, the sources of such initial funding and the period of time in which such initial funding must be completed will be as set forth in the Supplemental Resolution providing for the issuance of such Series of Senior Bonds.

When a Series of Senior Bonds is refunded or is otherwise paid so that all of the Senior Bonds of such Series are no longer Outstanding, moneys may be withdrawn from the Airport Improvement Bond Reserve Fund to pay or provide for the payment of such Senior Bonds or refunded Senior Bonds, as the case may be, or may be transferred and applied to any reserve fund or account established for the refunding Senior Bonds issued to refund such refunded Senior Bonds or may be otherwise applied in a manner which in the opinion of bond counsel to the Authority will not adversely affect the exclusion of interest on the Senior Bonds from gross income of the holders thereof for federal income tax purposes; provided that immediately after such withdrawal or transfer there is on credit to the Airport Improvement Bond Reserve Fund an amount equal to the Airport Improvement Bond Reserve Fund Requirement.

In lieu of the deposit of moneys in the Airport Improvement Bond Reserve Fund, the Authority may cause to be so credited a surety bond or an insurance policy payable to the Authority for the benefit of the holders of the Senior Bonds or a letter of credit in an amount equal to the difference between the Airport Improvement Bond Reserve Fund Requirement and the amounts then on deposit in the Airport Improvement Bond Reserve Fund with respect to the Senior Bonds of a Series. The surety bond, insurance policy or letter of credit must be payable (upon the giving of notice as required under the Senior Bond Resolution) on any date on which (a) moneys will be required to be withdrawn from the Airport Improvement Bond Reserve Fund and applied to the payment of the principal of or interest on the Senior Bonds of a Series with respect to which such surety bond, insurance policy or letter of credit was obtained, and (b) such withdrawals cannot be made from amounts credited to the appropriate account in the Airport Improvement Bond Reserve Fund. The insurer providing such surety bond or insurance policy must be an insurer whose municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated in a least the "A" category or equivalent by either Standard & Poor's Rating Group or Moody's Investors Service, or their successors. The letter of credit issuer must be a bank or trust company which is rated not lower than the third highest rating category by either Standard & Poor's Corporation or Moody's Investors Service, or their successors. If a disbursement is made pursuant to a surety bond, an insurance policy or a letter of credit provided pursuant to this paragraph the Authority will be obligated either (i) to reinstate the maximum limits of such surety bond, insurance policy or letter of credit or (ii) to deposit into the Airport Improvement Bond Reserve Fund, funds in the amount of the disbursement made under such surety bond, insurance policy or letter of credit, or a combination of such alternatives, as will provide that the amount credited to the Airport Improvement Bond Reserve Fund equals the Airport Improvement Bond Reserve Fund Requirement for such Series of Senior Bonds. The Authority will be further obligated to pay such interest on any disbursement made pursuant to a surety bond, insurance policy or letter of credit as may be specified therein and the related expenses of the provider of such surety bond, insurance policy or letter of credit and such amounts must be payable to such provider in the same manner and at the same time as any other deposits required to be made to the Airport Improvement Bond Reserve Fund as described in subsection (d) under the caption "—Application of Airport Revenues."

If the issuer of a surety bond, insurance policy or letter of credit on deposit in the Airport Improvement Bond Reserve Fund ceases to have a rating described in the immediately preceding paragraph, the Authority must use reasonable efforts to replace such surety bond, insurance policy or letter of credit with one issued by an issuer having a rating so described, but is not obligated to pay, or commit to pay, increased fees, expenses or interest in connection with such replacement or to deposit Airport Revenues in the Airport Improvement Bond Reserve Fund in lieu of replacing such surety bond, insurance policy or letter of credit with another and such surety bond, insurance policy or letter of credit will fully satisfy the Airport Improvement Bond Reserve Requirement with respect to a particular Series of Senior Bonds notwithstanding such decrease in rating.

The Authority may establish one account for one or more Series of Senior Bonds in the Airport Improvement Principal and Interest Fund and the Airport Improvement Bond Reserve Fund if all such Series of Senior Bonds (i) are Variable Rate Senior Bonds, (ii) are issued simultaneously and (iii) bear interest calculated pursuant to identical interest rate calculation and payment provisions. If any of the foregoing conditions are not met with respect to any Series of Senior Bonds, separate accounts must be established in the Airport Improvement Principal and Interest Fund and the Airport Improvement Bond Reserve Fund for each Series of Senior Bonds which do not meet such requirements. This paragraph will be replaced upon the issuance of the Series 2022 Senior Bonds as described under "Provisions Not Yet Effective—Provisions Effective upon Issuance of the Series 2022 Senior Bonds—Airport Improvement Bond Reserve Fund."

In the event a Series of Senior Bonds ("Refunding Series") is issued to refund another Series of Senior Bonds (a "Refunded Series") in part for savings such that a portion of such Refunded Series remains Outstanding thereafter, the Designated Financial Officer may in the Certificate of Determination deem the Refunding Series to be part of the Refunded Series solely for the purpose of the provisions described under "—Airport Improvement Bond Reserve Fund" pertaining to the account established for such Refunded Series, and the Airport Improvement Bond Reserve Fund Requirement for the Refunded Series will apply to the Refunding Series and the Refunded Series as if they were a single Series of Senior Bonds.

Commitment Fee Fund. Amounts on deposit in the Commitment Fee Fund will be used to pay commitment fees payable to Financial Institutions with respect to Support Facilities obtained in connection with Senior Bonds.

Support Facility Fund. Amounts on deposit in the Support Facility Fund will be used to pay fees and charges (other than commitment fees) payable to Financial Institutions in connection with Support Facilities obtained in connection with Senior Bonds.

Operations and Maintenance Reserve Fund. Amounts on deposit in the Operations and Maintenance Reserve Fund may be used to pay Operating Expenses in the event of any insufficiency in the Operating Fund for the payment thereof. The Operations and Maintenance Reserve Fund must be maintained in an amount equal to two (2) months of the estimated Operating Expenses for each Fiscal Year or such other amount as determined in a resolution of the Authority.

Renewal and Replacement Fund. Amounts on deposit in the Renewal and Replacement Fund may be used to pay for renewals or replacements of the Airport. The Renewal and Replacement Fund must be maintained in an amount equal to Five Million dollars ($5,000,000) or such other amount as determined in a resolution of the Authority.

Nashville Airports Experience (NAE) Fund. Amounts on deposit in the Nashville Airports Experience (NAE) Fund must be used to remedy any deficiency in any of the funds enumerated in under "—Application of Airport Revenues" in order of priority and to the extent not so used may be applied to any lawful purpose of the Authority.

Application of Airport Revenues

All Airport Revenues must after receipt by the Authority be deposited for credit to the Revenue Fund which Airport Revenues must be disbursed from the Revenue Fund in the following order of priority:

(a) First, to make deposits to the credit of the Operating Fund. In each month there must be deposited in the Operating Fund an amount equal to 1/12 of the Operating Expense portion of the Annual Budget.

(b) Next, to make deposits to the credit of the Commitment Fee Fund in each month in an amount so that there will be on deposit therein the commitment fees payable to a Financial Institution with respect to a Support Facility as the same become due and payable.

(c) Next to make deposits to the credit of the Airport Improvement Principal and Interest Fund. In each month, commencing with the 25th day of the month which follows the last month for which interest on such Series of Senior Bonds, if any, is fully provided from moneys credited to a Construction Interest Account, (a) with respect to each Series of Senior Bonds (other than Variable Rate Senior Bonds which have Interest Payment Dates occurring at intervals of one month or less), commencing on such 25th day and continuing on the 25th day of each month thereafter so long as any of the Senior Bonds of such Series are Outstanding, there must be credited to the Interest Account an amount such that, if the same amount were so credited to the Interest Account on the 25th day of each succeeding month thereafter, the aggregate of such amounts on credit to the Interest Account on the 25th day of the month preceding an Interest Payment Date will be equal to the installment of interest falling due on the Senior Bonds on such Interest Payment Date or the amount required to reimburse the Financial Institution for a draw on the Support Facility made to provide funds for the payment thereof, and (b) with respect to Variable Rate Senior Bonds (which have Interest Payment Dates occurring at intervals of one month or less), on the 25th day of the month prior to each Interest Payment Date there must be credited to the Interest Account the amount required together with other funds available therefor in the Interest Account, to pay, or to reimburse the Financial Institution for a draw on the Support Facility made to provide funds for the payment of, the interest payable on the Outstanding Variable Rate Senior Bonds on such Interest Payment Date. In each month, commencing with the 25th day of the month which is twelve (12) months prior to the first principal payment date of such Senior Bonds maturing serially or the first installment to provide for the retirement of Senior Bonds in "term bond" form and on the 25th day of each month thereafter so long as any of such Senior Bonds are Outstanding, there must be credited to the Principal Account an amount such that, if the same amount were so credited to the Principal Account for such Series on the 25th day of each succeeding month thereafter, the aggregate of such amounts on credit to the Principal Account will on the principal payment date or date upon which a sinking fund installment falls due be equal to the principal amount of all such Series of Senior Bonds becoming due on such principal payment date or be sufficient to redeem the term Senior Bonds of such Series in the principal amounts and at the times specified in the Supplemental Resolution authorizing the issuance thereof, as the case may be. Deposits required to be made pursuant to this paragraph (c) shall not include principal or interest on Senior Bonds paid or to be paid from amounts that are not Airport Revenues; provided, however, that in order to exclude deposits required to be made pursuant to this paragraph (c) with respect to principal or interest on Senior Bonds paid or to be paid from PFC Revenues, the Authority must designate such PFC Revenues as "PFCs Available for Debt Service" by filing a certificate signed by a Designated Financial Officer that includes (a) a representation on behalf of the Authority that such PFC Revenues, when received by the Authority, may be validly designated as and included in "PFCs Available for Debt Service" and are or will be legally available to pay the principal of, premium, if any, and interest on all or a portion of the Senior Bonds, (b) the amount of PFC Revenues that are being designated as and included in "PFCs Available for Debt Service," (c) identify the special account(s) such "PFCs Available for Debt Service" are to be deposited to, and (d) the time period during which such PFC Revenues will be designated as and included in "PFCs Available for Debt Service." After the filing of such certificate, the Authority shall cause the "PFCs Available for Debt Service" designated therein to be deposited to the special account(s) identified in such certificate and used to pay principal of and interest on the applicable Series of Senior Bonds. Notwithstanding any other provision hereof, if such "PFCs Available for Debt Service" are subject to any prior pledge or lien or irrevocable commitment, the application thereof to the payment of principal of and interest on the Senior Bonds shall be subordinate to the terms of such pledge or lien or irrevocable commitment and the certificate of the Designated Financial Officer designating the "PFCs Available for Debt Service" shall indicate the amount of the obligation payable in such Fiscal Year from the "PFCs Available for Debt Service" pursuant to such pledge or lien or irrevocable commitment.

(d) Next to make deposits to the credit of the Airport Improvement Bond Reserve Fund. In each month there must be deposited in each account in the Airport Improvement Bond Reserve Fund the amount required by the provisions of the Senior Bond Resolution. At any time after completion of the initial funding of an account in the Airport Improvement Bond Reserve Fund established with respect to a Series of Senior Bonds in accordance with the Supplemental Resolution providing for the issuance of such Series of Senior Bonds, if a deficiency in an account in the Airport Improvement Bond Reserve Fund is due to the withdrawal of moneys on deposit therein to pay principal of or interest on a particular Series of Senior Bonds then in each month, commencing with the month which follows the month in which such withdrawal is made from such account in the Airport Improvement Bond Reserve Fund the Authority must deposit from the Net Revenues on deposit in the Revenue Fund after making the deposits in clauses (a) through (c) to the deficient account in the Airport Improvement Bond Reserve Fund at least an amount which, if the same amount were so deposited to such account in the Airport Improvement Bond Reserve Fund in each month thereafter until the last day of the month which is twelve (12) months from the making of the first of such deposits, there will be on deposit in such account in the Airport Improvement Bond Reserve Fund on such day an amount not less than the Airport Improvement Bond Reserve Requirement for such Series of Senior Bonds. When the amount in an account in the Airport Improvement Bond Reserve Fund is equal to or exceeds the Airport Improvement Bond Reserve Fund Requirement for the related Series of Senior Bonds, no further deposits need be made into such Airport Improvement Bond Reserve Fund and any excess may be transferred to the Nashville Airports Experience (NAE) Fund.

(e) Next to make deposits to the Support Facility Fund in amounts sufficient to pay all fees and charges to the Financial Institution in connection with a Support Facility other than amounts constituting commitment fees or interest on Senior Bonds held by such Financial Institution.

(f) Next to provide for the payment of the next succeeding installment of Other Obligations and any amounts required to be deposited in any reserve funds established therefor.

(g) Next to the Operations and Maintenance Reserve Fund in amounts sufficient to replenish during the next Fiscal Year any withdrawals from the Operations and Maintenance Reserve Fund.

(h) Next to the Renewal and Replacement Fund in amounts sufficient to replenish during the next Fiscal Year any withdrawals from the Renewal and Replacement Fund.

(i) Money thereafter remaining in the Revenue Fund will be deposited in the Nashville Airports Experience (NAE) Fund.

Money in the Revenue Fund will be allotted to and paid into the various funds hereinbefore referred to in the order in which said funds are listed and on a cumulative basis and if in any month money in the Revenue Fund is insufficient to deposit the required amount in any of said funds the deficiency must, to the extent not paid from the Nashville Airports Experience (NAE) Fund, be made up in the following month or months after payment into all other funds enjoying a prior claim has been made in full.

Money received by the Authority from any of the following sources:

(i) the net proceeds of any condemnation award in the event of the condemnation of all or any part of the Airport System; and

(ii) net insurance proceeds in the event of damage to the Airport Facilities;

must be deposited either in the Nashville Airports Experience (NAE) Fund and applied to the restoration of the Airport Facilities, or if the Authority has determined that the continued operation of the Airport is not feasible, in the Airport Improvement Bond Redemption Fund and applied to the prompt retirement of Senior Bonds by redemption, or by purchase at a price not higher than the redemption price on the next succeeding redemption date.

Investment of Funds

Money in any of the funds created or continued in the Senior Bond Resolution must be invested by the Authority or at the Authority's direction in Qualified Investments. Unless otherwise provided in a Supplemental Resolution with respect to an account established in the Airport Improvement Bond Reserve Fund for a Series of Senior Bonds, money in the Airport Improvement Bond Reserve Fund may be invested in Qualified Investments maturing not later than ten years after the date of investment. Money in the Nashville Airports Experience (NAE) Fund may be invested in Qualified Investments maturing not later than five years after the date of the investment. Money in all other funds may be invested in Qualified Investments maturing not later than the time at which the money so invested is required for the purposes of the fund. Qualified Investments in the Airport Improvement Bond Reserve Fund must be valued as of July 1 of each year or upon withdrawals therefrom at market value, exclusive of accrued interest. A surety bond, letter of credit or insurance policy obtained as described under "—Airport Improvement Bond Reserve Fund" must be valued at the amount payable under the Senior Bond Resolution.

All income derived from the investment of money on deposit in the Airport Improvement Construction Fund must be retained in said fund during any period of construction of a Project and thereafter must be deposited in the Revenue Fund. All income derived from the investment of money on deposit in any other fund to the extent not required to be retained therein to satisfy the funding requirements thereof, must be deposited in the Revenue Fund, except as may otherwise be provided in any Supplemental Resolution authorizing Additional Senior Bonds.

Insurance

The Authority will carry insurance with generally recognized responsible insurers with policies payable to the Authority against risks, accidents or casualties at least to the extent that similar insurance is usually carried by airport operators operating properties similar to the Airport System. The Authority is required to seek the advice and counsel from time to time of an independent insurance consultant or consultants to advise and assist the Authority with respect to the insurance program of the Airport System, and the Authority must take into consideration the advice of such insurance consultant or consultants in the placement of insurance and the establishment of a self-insurance fund or funds of the Authority as provided in the Senior Bond Resolution.

Any insurance carried by the Authority pursuant to the Senior Bond Resolution may be procured and maintained as part of or in conjunction with any other policy or policies carried by it. The Authority may create and establish special funds for self-insurance. In the event the Authority establishes and maintains any such special funds, the Authority must establish such reasonable reserves as recommended by an insurance consultant and must obtain at least annually a certificate of such insurance consultant regarding the adequacy of such reserves.

The proceeds of all insurance, to the extent the same are paid directly to the Authority, must be applied as follows: (i) the proceeds of fire and extended coverage insurance and war damage insurance must be deposited in the Nashville Airports Experience (NAE) Fund and applied to the repairing, replacing or reconstruction of the damaged or destroyed property and thereafter in the Airport Improvement Bond Redemption Fund; (ii) the proceeds of loss of use insurance must be deposited in the Revenue Fund for use and application as are all other moneys deposited in that Fund; and (iii) the proceeds of liability insurance and workmen's compensation insurance must be applied toward extinguishing or satisfying or remedying the liability, loss or damage with respect to which such proceeds may be paid.

Senior Rate Covenant

(1) The Authority must impose and prescribe such schedule of rates, rentals, fees and charges for the use and services of and the facilities and commodities furnished by the Airport System, and shall revise the same from time to time whenever necessary, and collect the income, receipts and other moneys derived therefrom, so that the Airport System shall be and always remain financially self-sufficient and self-sustaining. The rates, rentals, fees and charges imposed, prescribed and collected shall be such as will produce Airport Revenues at least sufficient (i) to pay the principal of and interest and premium on the Senior Bonds as and when the same become due (whether at maturity or upon required redemption prior to maturity or otherwise); (ii) to pay as and when the same become due all Operating Expenses, (iii) to pay as and when the same become due any and all other claims, charges or obligations payable from Airport Revenues, and (iv) to carry out all provisions and covenants of this Resolution. Without limiting the provisions of the next preceding sentence of this section, at all times and in any and all events such rates, rentals, fees and charges shall be imposed, prescribed, adjusted, enforced and collected sufficient to produce Airport Revenues after deducting Operating Expenses, which, together with other available funds, will at least equal one hundred twenty-five percent of Debt Service on all Senior Bonds Outstanding.

(2) The failure to comply with the covenant in the foregoing paragraph shall not constitute an Event of Default under the Senior Bond Resolution if the Authority, within 120 days of such failure to comply, (i) causes an Airport Consultant to make a study for the purpose of making recommendations with respect to rates, rentals, fees and charges for the Airport System in order to provide funds for all the payments and other requirements as specified in the preceding paragraph; (ii) considers the recommendations of the Airport Consultant, and (iii) takes such action as the Authority, in its discretion, may deem necessary to comply with the preceding paragraph.

Certain Other Covenants of the Authority

Negative Pledge. The Authority will not create or give, or cause to be created or given, or permit to be created or given, or suffer to exist, any mortgage, lien, pledge, charge or other encumbrance upon any real or personal property constituting the Airport System or assign, pledge, transfer, or, except as provided in the Senior Bond Resolution, hypothecate any Airport Revenues. Except where Additional Senior Bonds are permitted under the Senior Bond Resolution, the Authority will not create or permit the creation of or issue any bonds, notes, warrants or other obligations or evidences of indebtedness or create any additional indebtedness which will be payable as to principal or interest, or both, from the Airport Revenues prior to or on a parity with the payment therefrom of the principal of or interest on the Senior Bonds.

Sale or Other Disposition of Property. The Authority will not sell or otherwise dispose of real or other properties constituting Airport Facilities required for the efficient operation of the Airport System. Property not required for the efficient operation of the Airport System may be sold or otherwise disposed of by the Authority only if the estimated Airport Revenues to be derived from the remaining properties of the Airport System will be sufficient to enable the Authority to comply with all covenants and conditions of the Senior Bond Resolution. The proceeds of any such sale will be deposited in the Nashville Airports Experience (NAE) Fund.

Special Covenants with Respect to Federal Tax Status of Senior Bonds. The Authority may issue a Series of Senior Bonds under the Senior Bond Resolution the interest on which is either taxable or excludable from gross income for federal income tax purposes. If any Series of Senior Bonds is issued the interest on which is excludable from gross income for federal income tax purposes, so long as any of the Senior Bonds of such Series are Outstanding, the Authority must comply with all applicable provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986 as amended and all applicable regulations of the Internal Revenue Service proposed and promulgated thereunder.

Other Covenants. The Authority will: (1) maintain the Airport System, or cause it to be maintained, in good repair and condition, ordinary wear and tear excepted, and will not commit or allow any waste; (2) will promptly take such actions as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Airport Revenues or any part thereof; (3) adopt Annual Budgets; (4) except in connection with a refunding issue, not assent to extensions of time for payment of interest; (5) keep proper books and accounts and prepare financial statements and provide for the annual auditing of such books and accounts; (6) pay all assessments and charges upon the Airport System promptly.

Defaults and Remedies

Events of Default. Under the Senior Bond Resolution, the happening of one or more of the following events constitute an "Event of Default":

(a) if default is made by the Authority in the due and punctual payment of the principal of or interest or premium (if any) on any Senior Bond when and as the same is due and payable;

(b) if a default occurs in the performance or observance by the Authority of the covenants, agreements and conditions contained in the Senior Rate Covenant (except as provided in subsection 2 thereof);

(c) if the Authority has defaulted in the performance or observance of any of the covenants, agreements or conditions contained in the Senior Bond Resolution or in the Senior Bonds (other than as described in (a) and (b) above), and such default continues for a period of 60 days after written notice thereof, specifying such default and requiring the same to be remedied, has been given to the Authority by the Trustee, or to the Authority and the Trustee by the holders of not less than 25% in aggregate principal amount of the Outstanding Senior Bonds;

(d) if the Authority (i) admits in writing its inability to pay its debts generally as they come due, (ii) files a petition in bankruptcy or takes advantage of any insolvency act, (iii) makes an assignment for the benefit of its creditors (iv) consents to the appointment of a receiver of itself or of the whole or any substantial part of its property, or (v) in a petition in bankruptcy filed against the Authority, is adjudicated as bankrupt;

(e) if the Authority files a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof, or if a court of competent jurisdiction enters an order, judgment or decree appointing, without the consent of the Authority, a receiver of the Authority, or of the whole or any substantial part of its property, or approving a petition filed against the Authority seeking reorganization of the Authority under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof, and such order, judgment or decree is not be vacated or set aside or stayed within 60 days from the date of the entry thereof; or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction assumes custody or control of the Authority or of the whole or any substantial part of its property, and such custody or control is not be terminated or stayed within 60 days from the date of assumption of such custody or control;

The Trustee must give written notice by mail to all the holders of Senior Bonds as their names and addresses appear upon the books of registry of all events of default known to the Trustee, within thirty (30) days after the occurrence thereof, unless the event of default has been cured before the giving of such notice.

Remedies. In each and every case of an event of default, and during the continuance of such event of default, unless cured by the Authority within 30 days after written notice thereof, and unless the principal of all the Senior Bonds has already become due and payable, the Trustee by notice in writing to the Authority, may, and upon the written request of the holders of not less than 25% in principal amount of the Outstanding Senior Bonds must, declare the principal of all the Outstanding Senior Bonds, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same will become and will be immediately due and payable, anything in the Senior Bond Resolution or in the Senior Bonds contained to the contrary notwithstanding. This paragraph will be replaced as described under "Provisions Not Yet Effective—Provisions That Will Be Effective Upon Retirement of the Series 2003B Senior Bonds and Series 2015 Senior Bonds (July 1, 2045)—Acceleration as a Remedy.

Upon the occurrence of an Event of Default, the Authority must, upon demand by the Trustee or upon demand made by the holders of 25% in principal amount of the Outstanding Senior Bonds, transfer Net Revenues held by the Authority and all Funds and Accounts established under the Senior Bond Resolution to the Trustee and such Net Revenues and Funds and Accounts will be administered by the Trustee in place of the Authority in accordance with the Senior Bond Resolution.

Actions by Trustee in Event of Default. The Trustee, in case of an event of default, may, and upon the written request of the holders of not less than 25% in principal amount of the Senior Bonds then Outstanding, and upon being indemnified to its satisfaction, may, exercise any or all of the following remedies to the extent that the same is then legally available:

(i) the Trustee may proceed to protect and enforce its rights and the rights of the holders of the Senior Bonds by a suit or suits in equity, in bankruptcy or at law, either in mandamus or for the specific performance of any covenant or agreement contained in the Senior Bond Resolution or in aid of the execution of any power granted in the Senior Bond Resolution, or for the enforcement of any other appropriate legal or equitable remedy, including all the rights and remedies of a secured party under the Uniform Commercial Code or other applicable law, as the Trustee, being advised by counsel, may deem most effectual to protect and enforce any of the rights or interests under the Senior Bonds and/or the Senior Bond Resolution;

(ii) the Trustee may proceed by appropriate proceedings in any court of competent jurisdiction in the event of default in the payment of principal of or interest on any Senior Bonds, to obtain the appointment of a receiver for the Airport System, which receiver may enter upon and take possession of the Airport System and fix rates and charges and collect all Airport Revenues arising therefrom in as full a manner and to the same extent as the Authority itself might do. The receiver is required to collect and dispose of Airport Revenues in accordance with the terms and conditions of the Senior Bond Resolution or as the court directs.

Waivers. If at any time after the principal of the Senior Bonds has been so declared due and payable, and before any judgment or decree for the payment of the money due has been obtained or entered, the Authority pays to or deposits with the Trustee a sum sufficient to pay all principal on the Senior Bonds matured prior to such declaration and all matured installments of interest (if any) upon all Senior Bonds, with interest at the rate borne by the Senior Bonds on such overdue principal and premium, if any, and (to the extent legally enforceable) on such overdue installments of interest, and the reasonable expenses of the Trustee, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Senior Bonds due and payable solely by reason of such declaration) have been made good or cured or adequate provisions have been made therefor, then and in every case, the holders of at least 66-2/3% in aggregate principal amount of the Outstanding Senior Bonds, by written notice to the Authority and to the Trustee, may, on behalf of the holders of all the Senior Bonds, rescind and annul such declaration and its consequences; but no such rescission and annulment will extend to or will affect any subsequent default, nor will it impair or exhaust any right or power consequent thereon.

Limitation on Suits or Actions by Bondholders. No Bondholder has any right to institute or prosecute any suit or proceeding at law or in equity for the appointment of a receiver of the Authority, for the enforcement of any of the provisions of the Senior Bond Resolution or of any remedies under the Senior Bond Resolution unless the Trustee, after a request in writing by the holders of 25% in aggregate principal amount of the Outstanding Senior Bonds, and after the Trustee has been assured such reasonable indemnity as it may require, has neglected for 60 days to take such action; provided, however, that the right of any holder of any Senior Bond to receive payment of principal and/or interest on or after the respective due dates expressed therein, or to institute suit for the enforcement of any such payment, may not be impaired or affected without the consent of such holder.

Bondholders' Committee. In the event that the Trustee has failed or refused to comply with the written request or direction of the holders of Senior Bonds as provided under "—Limitation on Suits or Actions by Bondholders," the holders of not less than twenty percent (20%) in principal amount of the Senior Bonds then Outstanding may call a meeting of the holders of Senior Bonds for the purpose of electing a Bondholders' Committee. Such meeting will be called and proceedings thereat will be conducted as required by the Senior Bond Resolution. At such meeting the holders of not less than a majority in principal amount of the Senior Bonds Outstanding must be present in person or by proxy in order to constitute a quorum for the transaction of business, less than a quorum, however, having power to adjourn from time to time without any other notice than the announcement thereof at the meeting. A quorum being present at such meeting the Bondholders present in person or by proxy may, by a majority of the votes cast, elect one or more persons, who may or may not be Bondholders, to the Bondholders' Committee which will act as trustee for all Bondholders. The Bondholders present in person or by proxy at such meeting, or at any adjourned meeting thereof, (i) may prescribe the manner in which the successors of the persons elected to the Bondholders' Committee at such Bondholders' meeting will be elected or appointed; (ii) may prescribe rules and regulations governing the exercise by the Bondholders' Committee of the power conferred upon it; and (iii) may provide for the termination of the existence of the Bondholders' Committee. The Bondholders' Committee elected by the Bondholders in the manner provided in the Senior Bond Resolution, and their successors, as a Committee, are declared to be trustees for the holders of all the Senior Bonds then Outstanding, and are empowered to exercise in the name of the Bondholders' Committee as trustee, all the rights and powers regarding defaults and remedies conferred on the Trustee or any Bondholder.

Concerning the Trustee, Registrar and Paying Agent

U.S. Bank Trust Company, National Association, as successor trustee, is Trustee under the Senior Bond Resolution (the "Trustee"). Prior to the occurrence of an Event of Default under the Senior Bond Resolution, the Trustee has no duties and obligations as trustee under the Senior Bond Resolution other than to act as paying agent or as registrar if so appointed under the Senior Bond Resolution or in a supplemental resolution with respect to a Series of Senior Bonds and upon the occurrence of an Event of Default under the Senior Bond Resolution of which it has actual knowledge, all such estate, properties, rights, powers, trusts, duties and obligations granted to the Trustee under the Senior Bond Resolution will vest in the Trustee unless and until all such Events of Default have been cured in accordance with the provisions of the Senior Bond Resolution. The Senior Bond Resolution contains provisions regarding the appointment and removal of the Trustee. The Authority may at any time remove the Trustee, provided that such removal is subject to revocation by 10% of the holders of Senior Bonds Outstanding and that such removal may not be effected if an Event of Default has occurred and is continuing or there is any deficiency in any fund or account held under the Senior Bond Resolution.

Supplemental Resolutions

Supplements Without Holder Consent. The Authority, may adopt resolutions supplemental to the Senior Bond Resolution without holder consent for any or more of the following purposes:

(a) to add to the covenants and agreements of the Authority under the Senior Bond Resolution, or to surrender any right or power reserved or conferred upon the Authority in the Senior Bond Resolution;

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

(c) to subject, describe or redescribe any property subjected or to be subjected to the lien of the Senior Bond Resolution;

(d) to provide for the issuance of Additional Senior Bonds to the extent permitted under the Senior Bond Resolution;

(e) to modify, amend or supplement the Senior Bond Resolution or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect, and, if they so determine, to add to the Senior Bond Resolution or any resolution supplemental hereto such other terms, conditions and provisions as may be permitted by the Trust Indenture Act of 1939 (other than the provisions of Section 316(a)(2) thereof) or similar federal statute;

(f) To grant to or confer upon the holders of the Senior Bonds any additional rights, remedies, powers, authority or security that lawfully may be granted to or conferred upon them;

(g) To prescribe further limitations and restrictions upon the issuance of Senior Bonds and the incurring of indebtedness by the Authority payable from the Airport Revenues;

(h) To make any modification to a Supplemental Resolution as may be specifically provided for therein with respect to a Series of Variable Rate Senior Bonds and which stipulates that Bondholder consent will not be required, including, but not limited provisions permitting changes in the method of determining or establishing rates of interest, premiums payable upon redemption, serial maturities or sinking fund payments; or

(i) As provided for under "Provisions Not Yet Effective — Provisions That Will Be Effective Upon Retirement of the Series 2003B Senior Bonds (July 1, 2033); Separate Improvements; Released Revenues" but only upon the effectiveness of the provisions described therein.

(j) To modify in any respect any of the provisions of the Senior Bond Resolution, provided that such modifications have no material adverse effect as to any Senior Bond or Senior Bonds which are then Outstanding.

Supplements with Consent. With the consent of the holders of not less than 66-2/3% in aggregate principal amount of the Senior Bonds at the time Outstanding the Authority may from time to time and at any time adopt resolutions supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Senior Bond Resolution or of any Supplemental Resolution; provided, however, that no such Supplemental Resolution may (a) extend the fixed maturity of the Senior Bonds (except pursuant to refunding as expressly permitted under the Senior Bond Resolution) or reduce the rate of interest thereon or extend the time of payment of interest, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the holder of each bond so affected (except to the extent permitted under clause (h) under "—Supplements Without Holder Consent"), or (b) reduce the aforesaid percentage of holders of Senior Bonds required to approve any such Supplemental Resolution or (c) permit the creation of any lien on the pledged properties prior to or on a parity with the lien of the Senior Bond Resolution, or deprive the holders of the Senior Bonds of the lien created by the Senior Bond Resolution upon said properties, (d) give to any Senior Bond or Senior Bonds any preference over any other Senior Bond or Senior Bonds secured hereby, (e) permit the creation of a mortgage or lien upon the properties constituting a part of the Airport System, (f) rescind or diminish the rights of any Bondholder to receive payment of principal of and/or interest on Senior Bonds on or after their respective due dates or to institute suit for the enforcement of such payment, or (g) otherwise have an adverse effect on Senior Bonds or the security therefor, without the consent of the holders of all the Senior Bonds then Outstanding affected thereby.

Defeasance

The Senior Bond Resolution will cease, determine and become null and void if the Authority pays and discharges the entire indebtedness of all Senior Bonds Outstanding under the Senior Bond Resolution in one or more of the following ways:

(a) by paying or causing to be paid the principal of, and redemption premiums, if any, and interest on Senior Bonds Outstanding under the Senior Bond Resolution, as and when the same become due and payable;

(b) by delivering to the Registrar, for cancellation by it, Senior Bonds Outstanding under the Senior Bond Resolution;

(c) by irrevocably depositing with the Paying Agent for such Senior Bond, in trust, and irrevocably appropriating and setting aside exclusively for such payment, either (1) moneys sufficient to make such payment or (2) Governmental 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, or (3) a combination of both such moneys and such Governmental Obligations, whichever the Authority deems to be in its best interest, and all necessary and proper fees, compensation and expenses of the Trustee, Registrar and Paying Agent pertaining to the Senior Bond with respect to which such deposit is made has been paid or the payment thereof provided for the satisfaction of the Trustee, Registrar and Paying Agent.

Upon the deposit with the Paying Agent, in trust, at or before maturity, of money or Government Obligations, if such Senior Bonds are to be redeemed prior to the maturity thereof notice of such redemption has been given, or provisions satisfactory to the Paying Agent has been made for the giving of such notice, all liability of the Authority in respect of such Senior Bonds is completely discharged and the holders thereof will thereafter be entitled only to the payment out of the money deposited with the Paying Agent for their payment.

Provisions Not Yet Effective

Provisions That Will Be Effective Upon Retirement of the Series 2003B Senior Bonds (July 1, 2033).

Separate Improvements. Nothing contained in the Senior Bond Resolution prevents the Authority from authorizing and issuing bonds, notes, warrants, certificates or other obligations or evidences of indebtedness, other than Senior Bonds, and establish reserves in connection therewith, payable from and secured by a pledge of and lien on those revenues, proceeds, grants or other sources specifically excluded from the definition of Airport Revenues pursuant to clauses (b), (e), (g) or (h) of the definition thereof, or any combination of all or a portion of the foregoing, for the purpose of acquiring, constructing, renovating, remodeling or rehabilitating Separate Improvements. A Separate Improvement ("Separate Improvement") will be any facility or improvement in the Airport System acquired, constructed, renovated, remodeled or rehabilitated with the proceeds of bonds, notes, warrants, certificates or other obligations or evidences of indebtedness payable and secured in the manner prescribed in the first sentence hereof which the Authority determines will (i) not materially adversely affect the Outstanding Senior Bonds, and (ii) so long as any Senior Bonds are Outstanding, (A) produce revenue excluded from the definition of Airport Revenues pursuant to clause (h) of the definition thereof, or (B) have pledged or committed to the payment of all or a portion of the principal, premium, interest and other costs described below any revenues or amounts excluded from the definition of Airport Revenues pursuant to clauses (b), (e) or (g) of the definition thereof, or any combination thereof, sufficient to pay principal of, premium, if any, and interest on the bonds, notes, warrants, certificate or other obligations or evidences of indebtedness issued with respect to any such Separate Improvement and all operation and maintenance and other costs connected with the ownership, operation, maintenance, repair, renewals and rehabilitation of any such Separate Improvement (including, without limitation, insurance, utilities, payments in lieu of taxes and assessments) and the administrative costs of the Authority associated with any such Separate Improvement. Any amount attributable to administrative costs must be free and clear of all charges under any agreement or obligation entered into or issued, will be in addition to all other amounts required to be provided for as in the Senior Bond Resolution; and will constitute Airport Revenues and be paid into the Revenue Fund.

The Authority may authorize and issue bonds, notes, warrants, certificates or other obligations or evidences of indebtedness, other than Senior Bonds, for the purpose of providing proceeds to finance any Airport Purpose payable from and secured by a pledge of and lien on those revenues, proceeds, grants or other sources specifically excluded from the definition of Airport Revenues pursuant to clauses (b), (e) or (g) of the definition thereof and all income or revenues derived with respect to any Airport Purpose so financed will constitute Airport Revenues and be paid into the Airport Revenue Fund. Nothing described in this paragraph precludes the Authority from financing any Separate Improvement pursuant to the preceding paragraph.

Released Revenues. The Authority may by a Supplemental Resolution adopted by the Board cause a category of income, receipts or other revenues then included in the definition of "Airport Revenues" as defined in the Senior Bond Resolution to be excluded from such definition for all purposes of the Senior Bond Resolution, which exclusion will be effective without Bondholder consent, from the date of adoption of such Supplemental Resolution after receipt by the Board of the following:

(a) a certificate of the Designated Financial Officer that no Event of Default as defined in under the Senior Bond Resolution exists thereunder; and

(b) a certificate or report of the Designated Financial Officer or an Airport Consultant to the effect that Airport Revenues for each of the two Fiscal Years for which audited financial statements are available immediately preceding the date of such certificate or report were sufficient to satisfy the Senior Rate Covenant of the Senior Bond Resolution for each of such two Fiscal Years, assuming for the purposes of complying with the last sentence of subsection 1 of the Senior Rate Covenant one hundred fifty percent (instead of one hundred twenty-five percent).

Additional Exclusions from the Definition of Airport Revenues. When the foregoing provisions described under "Provisions Not Yet Effective - Separate Improvements; Released Revenues" become effective, the following exclusions to the definition of Airport Revenues will also become effective: (g) Released Revenues, and (h) revenues from any Separate Improvement, including, but not limited to, payments under any contract or agreement with respect to such Separate Improvement.

Provisions That Will Be Effective Upon Retirement of the Series 2003B Senior Bonds and Series 2015 Senior Bonds (July 1, 2045).

Acceleration as a Remedy. The provisions under the captions "Defaults and Remedies—Remedies; Waiver" will be amended to delete the remedy of acceleration of the Senior Bonds and the provisions of the first paragraph under the caption "−Defaults and Remedies, Remedies" shall accordingly be amended to read as follows:

> The Trustee shall give written notice by mail to all the holders of Senior Bonds as their names and addresses appear upon the books of registry of all events of default known to the Trustee, within

thirty (30) days after the occurrence thereof, unless the event of default shall have been cured before the giving of such notice.

Provisions Effective Upon Issuance of the Series 2022 Senior Bonds.

Qualified Investments. The following is added to the definition of Qualified Investments: (a) Local Government Investment Pool created by T.C.A. Title 9, Chapter 4, Part 7; (b) Guaranteed investment contracts with any financial institution or corporation that at the time of investment has long-term obligations rated at least "A-" or "A3" or equivalent rating, by any nationally recognized rating agency; (c) Forward delivery agreements with any financial institution or corporation that at the time of investment has long-term obligations rated at least "BBB-" or "Baa3" or equivalent rating, by any nationally recognized rating agency under which obligations described in (1) and/or (2) of the definition of Qualified Investments are delivered; (d) Term repurchase agreements with any financial institution or corporation that at the time of investment has long-term obligations rated at least "A-" or "A3" or equivalent rating, by any nationally recognized rating agency, provided that obligations shall be valued at least weekly and posted at a margin of 102% with a third-party custodian.

Airport Improvement Bond Reserve Fund. The penultimate paragraph under the caption "Funds and Accounts; Airport Improvement Bond Reserve Fund" will be amended to read as follows: Notwithstanding any other provision of this Resolution, the Authority may establish one account for one or more Series of Senior Bonds in the Airport Improvement Principal and Interest Fund and the Airport Improvement Bond Reserve Fund; provided that each Series of Senior Bonds participating in such account(s) may be issued on different dates. Additionally, notwithstanding any other provision of this Resolution, at the time of issuance of a Series of Senior Bonds, the Authority may elect (with such election being set forth in a Supplemental Resolution) that such Series of Senior Bonds shall not be secured by and shall not participate in the Airport Improvement Bond Reserve Fund.

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE BOND RESOLUTION

The following is a summary of certain provisions of the Subordinate Bond Resolution. The summary does not purport to be complete or to follow the exact language of the Subordinate Bond Resolution and is subject in all respects to the detailed provisions of the Subordinate Bond Resolution, copies of which are available upon request at the office of the Authority.

Definitions

"Additional Subordinate Bonds" means any Subordinate Bonds issued in accordance with the provisions described under "Additional Subordinate Bonds and Other Indebtedness – Additional Subordinate Bonds; Completion Subordinate Bonds; Subordinate Refunding Bonds."

"Airline" means any air transportation company at any time serving the Airport on the basis of one of the Leases.

"Airport" means Nashville International Airport, including any extensions, additions or improvements thereto.

"Airport Consultant" means a nationally recognized firm of consultants experienced in the field of the financial feasibility of airport revenue financing.

"Airport Facilities" means all facilities, equipment, improvements and structures, other than Special Facilities, made available by the Authority at the Airport System including, but without limitation, roadways, runways, aprons, taxiways, sewerage and water facilities, lighting facilities, aircraft control facilities, communication facilities, passenger and cargo handling facilities, aircraft maintenance, testing and storage facilities, fuel storage and sale facilities, ground transportation facilities, meteorological facilities and passenger terminal facilities.

"Airport Improvement Bond Redemption Fund" means the fund referred to in clause (iv) under "Funds and Accounts."

"Airport Improvement Bond Reserve Fund" means the fund referred to in clause (vi) under "Funds and Accounts."

"Airport Improvement Bond Reserve Fund Requirement" means the amount required to be maintained in the Airport Improvement Bond Reserve Fund with respect to such Series of Senior Bonds as provided in the Supplemental Resolution providing for the issuance thereof.

"Airport Improvement Construction Fund" means the fund referred to in clause (v) under "Funds and Accounts."

"Airport Improvement Principal and Interest Fund" means the fund referred to in clause (iii) under "Funds and Accounts."

"Airport Purpose" means any action or undertaking by the Authority reasonably related to the development and operation of the Airport System as a destination for air commerce or as industrial or commercial sites or related to the development and promotion of air transportation and commerce by air in the State generally and in the Metropolitan Government of Nashville and Davidson County air trade area in particular.

"Airport Revenues" means all income and revenue from all sources, without limitation except as expressly provided in the Subordinate Bond Resolution, collected or received by the Authority in the operation of the Airport System, including all rates, charges, rentals, fees and any other compensation collected, or received by the Authority in connection with the operation of the Airport System, any money transferred from the Nashville Airports Experience (NAE) Fund, all investment income earned by the Authority except as otherwise expressly provided in the Subordinate Bond Resolution and any amounts not constituting Airport Revenues which are deposited in the Revenue Fund to be applied in accordance with the provisions of the Subordinate Bond Resolution; but excludes (a) any income or revenue from any Special Facility (other than rental properly attributable to administrative and other expenses of the Airport System) at any time during which there are outstanding any Special Facility Revenue Bonds with respect to such Special Facility, (b) any grant or any similar payment from any government or public agency, (c) any arbitrage earnings which are required to be paid to the U.S. Government pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, and the rulings and regulations promulgated under the Subordinate Bond Resolution, (d) the proceeds of any Support Facility, (e) the proceeds of any passenger facility, customer facility or analogous charge or fee that may hereafter be levied (whether levied on the use of the Airport System, on transportation, or otherwise) which are received and retained by the Authority, (f) earnings on amounts on deposit in the Subordinate Construction Fund; (g) Released Revenues, and (h) revenues from any Separate Improvement, including, but not limited to, payments under any contract or agreement with respect to such Separate Improvement; provided, however, that, for purposes of calculating the coverage requirements set forth in the Subordinate Rate Covenant, transfers from the Nashville Airports Experience (NAE) Fund (1) shall consist only of deposits made to the Nashville Airports Experience (NAE) Fund in a prior Fiscal Year and (2) shall not exceed 10% of Debt Service on all Senior Bonds and Subordinate Bonds Outstanding.

"Airport System" means the Airport, John C. Tune Airport including any extensions, additions or improvements thereto, and includes any other air transportation related facilities added to the definition of Airport System by Supplemental Resolution.

"Annual Budget" means the capital and operating budget of the Authority approved by the Board.

"Authority" means the Metropolitan Nashville Airport Authority, a Tennessee public and governmental body created pursuant to Chapter 4 of Title 42 of Tennessee Code Annotated.

"Board" means the Board of Commissioners of the Authority.

"Bondholder" and "holder" means the registered owner of a Subordinate Bond.

"Costs of Construction" includes, generally, all costs and expenses necessary or desirable and appertaining or incident to construction, acquisition, undertaking or implementing of any Project, as estimated or otherwise ascertained by the Authority as specified in the Subordinate Bond Resolution.

"Commitment Fee Fund" means the fund referred to in clause (vii) under "Funds and Accounts.

"Common Reserve Bonds" means one or more Series of Bonds designated as such in a Supplemental Resolution for which Series of Bonds one account will be established and maintained in the Subordinate Bond Reserve Fund in accordance with the Subordinate Bond Resolution.

"Debt Service" means the total, as of any particular date of computation and for any particular period or year, of the aggregate amount required pursuant to the Subordinate Bond Resolution to be deposited during such period or year in the Airport Improvement Principal and Interest Fund to provide for the payment of interest on the Subordinate Bonds (to the extent not capitalized), to provide for the payment at maturity of the Subordinate Bonds issued in serial form and to provide for the retirement or mandatory sinking fund redemption of any of the Subordinate Bonds issued in term form. For the purposes of computing Debt Service with respect to a Series of Subordinate Bonds issued as Variable Rate Subordinate Bonds, the interest rate per annum thereon will be determined as follows: (a) with respect to a Series of Variable Rate Subordinate Bonds Outstanding at the time of calculation, (i) for the purpose of complying with the provisions of the Subordinate Rate Covenant, the interest rate per annum will be calculated at the weighted average interest rate per annum borne by such issue of Variable Rate Subordinate Bonds (computed on an actual day basis) for the twelve month period then ended at the time of calculation, and (ii) for the purpose of the Subordinate Additional Bonds Test, the interest rate per annum will be calculated on the basis of, and (b) with respect to a Series of Variable Rate Subordinate Bonds proposed to be issued, the interest rate per annum will be assumed to be, the highest of: (i) the actual rate on the date of calculation, or if the Subordinate Bonds are not yet Outstanding, the initial rate (if established and binding) (ii) if the Subordinate Bonds have been Outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation, and (iii) (1) if interest on the Subordinate Bonds is excludable from gross income under the applicable provisions of the Internal Revenue Code, the most recently published Revenue Bond Index, or (2) if interest is not so excludable, the interest rate on direct U. S. Treasury obligations with comparable maturities; provided, however, that if the Authority enters into an Integrated Swap Agreement with respect to a Series of Variable Rate Subordinate Bonds that provides for fixed payments to be made by the Authority, the interest rate thereon will be determined as follows: (a) with respect to a Series of Variable Rate Subordinate Bonds at the time of calculation then Outstanding for which the Integrated Swap Agreement in effect, the interest rate will be the sum of (i) the fixed interest rate established under the Integrated Swap Agreement and (ii) to the extent that variable rate payments under the Integrated Swap Agreement are based on an interest index and not the Authority's actual variable rate on the variable Rate Subordinate Bonds, the greatest difference between such index and the variable interest rates actually paid during the prior twelve or three months, whichever is highest, and (b) with respect to Variable Rate Subordinate Bonds then proposed to be issued, the fixed interest rate established under the Integrated Swap Agreement. If the principal coming due with respect to any Series of Subordinate Bonds in any year exceeds by more than 25% the amount coming due on all Subordinate Bonds of such Series in any prior year in which principal is payable, principal payments on such Series will be calculated as if the principal of such Series matures in annual installments resulting in approximately level debt service for all Subordinate Bonds of such Series over the term of such Series to maturity. "Debt Service" with respect to Senior Bonds shall have the meaning set forth in the Senior Bond Resolution.

"Designated Financial Officer" means any financial officer of the Authority so designated by the Board.

"Financial Institution" means any issuer or issuers of a Support Facility, its successors and assigns.

"Fiscal Year" means the period beginning on July 1 of each year and ending on the last day of June of the next succeeding year.

"Governmental Obligations" means (i) direct general obligations of, or obligations the payment of the principal and interest of which are unconditionally guaranteed by, the United States of America which are non-callable or redeemable only at the option of the holder and which at the time are legal investments for the moneys proposed to be invested therein, (ii) receipts, certificates or other similar documents evidencing ownership of future interest or principal payments due on direct obligations of the United States of America held in a custody or trust account by a commercial bank (having at least $20,000,000 in capital stock, surplus and undivided profits) pursuant to a custody or trust agreement, (iii)(A) direct and general obligations, to the payment of the principal of and interest on which the full faith and credit of the issuer is pledged, of any of the following: any state of the United States, or any political subdivision of any such state; provided that (1) as to such obligations of a political subdivision, all the taxable real property within such political subdivision will be subject to taxation thereby to pay such obligations and the interest thereon, without limitation as to rate or amount, and (2) at the time of their purchase under the Subordinate Bond Resolution, such obligations of any such state or political subdivision are rated in either of the two highest rating categories by two nationally recognized bond rating agencies, or (B) long-term obligations of any state or any political subdivision thereof the entire principal of and interest on which is insured pursuant to an irrevocable municipal bond insurance policy and which obligations are rated by two nationally recognized bond rating agencies in the highest rating category or (iv) Refunded Municipal Obligations.

"Hedge Agreement" means an interest rate swap or exchange agreement, including an Integrated Swap Agreement, a payment exchange agreement, forward purchase agreement or any other hedge agreement entered into by the Authority for any purpose providing for payments between the parties based on levels of, or changes in, interest rates, stock or other indices or contracts to exchange cash flows or a series of payments or contracts, including without limitation, interest rate floors or caps, options, puts or calls to hedge payment, rate, spread or similar risk.

"Integrated Swap Agreement" means any interest rate swap agreement entered into by the Authority with respect to a Series of Subordinate Bonds having a notional amount equal to the principal amount of such Series of Subordinate Bonds and pursuant to which the Authority agrees to make payments on the basis of (a) a fixed rate of interest or (b) a variable rate of interest.

"Integrated Swap Agreement Payments" means payments made pursuant to an Integrated Swap Agreement on the basis of fixed or variable rates of interest; specifically excluding, however, termination payments, fees, expenses and other amounts payable under an Integrated Swap Agreement not specifically made on the basis of interest rates.

"Interest Increment Amount" means, as of any particular date of computation and for any particular period or year, with respect to any Variable Rate Subordinate Bonds the difference, if any, between the rate of interest per annum borne by Variable Rate Subordinate Bonds in accordance with their terms as set forth in the Supplemental Resolution providing for the issuance thereof for all holders other than a Financial Institution and the rate such Variable Rate Subordinate Bonds bear when such Variable Rate Subordinate Bonds are held by a Financial Institution.

"Interest Payment Date" means, with respect to any particular Series of Subordinate Bonds, any date on which interest is payable on such Series of Subordinate Bonds as such date will be established in the Supplemental Resolution providing for the issuance of such Series of Subordinate Bonds.

"Lease" and "Leases" means those certain Signatory Airline Use and Lease Agreements with respect to the Airport entered into by the Authority as lessor and the Airlines as lessees, and including any other substantially similar Lease Agreement which may be entered into after the date of the Subordinate Bond Resolution between the Authority and another Airline, in each case as the same may be amended from time to time.

"Master Subordinate Resolution" means the Resolution No 2019-15, adopted by the Board on October 16, 2019.

"Nashville Airports Experience (NAE) Fund" means the fund referred to in clause (xvii) under "Funds and Accounts."

"Net Revenues" means (i) for any past period or year which has concluded at the time a calculation was made the aggregate of the Airport Revenues minus the Operating Expenses for such past period or year; and (ii) for any future period or year the aggregate of the estimated Airport Revenues, minus the estimated Operating Expenses for such future period.

"Operations and Maintenance Reserve Fund" means the fund referred to in clause (xv) under "Funds and Accounts."

"Operating Expenses" means, with respect to any period of time, all necessary and reasonable expenses incurred (whether paid or accrued) in the maintenance, operation, administration and insuring of the Airport System, including, without limitation, (a) salaries, wages and costs of fringe benefits including employee pension or retirement plans, health insurance, and other fringe benefits, (b) payments made to The Metropolitan Government of Nashville and Davidson County for contract services actually performed, and (c) costs of materials, supplies and contractual services; but will not include any of Authority's expenses, if any, related to the operation, maintenance, administration, insuring, construction or modification of any Special Facility or the cost of any service provided by a governmental agency for which no charge is paid by the Authority; and total Operating Expenses will be reduced by any reimbursement received by the Authority from any source on account of Operating Expenses. The term "Operating Expenses" will not include: (1) any allowance for depreciation or any amounts for capital replacements or reserves therefor; (2) costs of extensions, enlargements, betterments and improvements to the Airport System or reserves therefor; (3) reserves for operation, maintenance, renewals and repairs occurring in the normal course of business; (items (1), (2), (3) will be computed using generally accepted accounting principles), (4) payment (including redemption) of Subordinate Bonds or other evidences of indebtedness or interest and premium thereof or reserves therefor and (5) any arbitrage earnings which are required to be paid to the U.S. Government pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, and the rulings and regulations promulgated under the Subordinate Bond Resolution.

"Operating Fund" means the fund referred to in clause (ii) under "Funds and Accounts."

"Other Subordinate Obligations" means any obligations issued in accordance with the provisions described under "Additional Subordinate Bonds and Other Indebtedness—Subordinate Lien Obligations."

"Outstanding" when used with reference to Subordinate Bonds, subject to the provisions of the Subordinate Bond Resolution, means as of any particular time all the Subordinate Bonds authenticated and delivered by the Registrar under the Subordinate Bond Resolution, except

(a) Subordinate Bonds theretofore cancelled by the Registrar or delivered to the Registrar cancelled or for cancellation;

(b) Subordinate Bonds for the payment or redemption of which money or securities in the necessary amount have been deposited with the Paying Agent, and with respect to Subordinate Bonds to be redeemed prior to maturity, notice of such redemption will have been provided for; and

(c) Subordinate Bonds in substitution for which other Subordinate Bonds have been authenticated and delivered pursuant to the terms of the Subordinate Bond Resolution.

For purposes of the Subordinate Bond Resolution, in the event any Subordinate Bonds are issued and sold at a price such that a portion of all of the interest thereon is intended to be earned by accrual of original issue discount, the amount of such Subordinate Bonds deemed to be Outstanding for the purpose of calculating the principal amount of any such Subordinate Bonds and the principal amount of Subordinate

Bonds Outstanding in connection with the exercise of any voting right or privilege, the giving of any consent or direction or the taking of any other action that the holders of the Subordinate Bonds are entitled to take pursuant to the Subordinate Bond Resolution otherwise, will be the accreted value thereof, determined in accordance with the Subordinate Bond Resolution. Unless otherwise provided in the Supplemental Resolution providing for the issuance of a Series of Subordinate Bonds, this paragraph apply only to issues with an original issue discount in excess of 5% from the par amount thereof. "Outstanding" with respect to Senior Bonds shall have the meaning set forth in the Senior Bond Resolution.

"Paying Agent" means with respect to a Series of Subordinate Bonds, the Paying Agent appointed for such Series of Subordinate Bonds by the Authority.

"PFC Bonds" shall have the meaning described under the caption "Additional Subordinate Bonds and Other Indebtedness – Passenger Facility Charges."

"PFC Resolution" shall have the meaning described under the caption "Additional Subordinate Bonds and Other Indebtedness – Passenger Facility Charges."

"PFC Revenues" means the proceeds of any passenger facility or analogous charge or fee that is now or may hereafter be levied (whether levied on the use of the Airport System, on transportation, or otherwise) which are received and retained by the Authority and any investment earnings thereon.

"Project" means a project for any Airport Purpose to be financed from the proceeds of Subordinate Bonds as defined in a Supplemental Resolution.

"Qualified Investments" means any of the following which at the time are legal investments under the laws of the State of Tennessee for the moneys held under the Subordinate Bond Resolution and then proposed to be invested therein:

(1) Direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, provided, that the full faith and credit of the United States of America must be pledged to any such direct obligation or guarantee ("Direct Obligations");

(2) Direct obligations and fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States; consolidated debt obligations and letter of credit-backed issues of the Federal Home Loan Banks; participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation ("FHLMCs"); debentures of the Federal Housing Administration; mortgage-backed securities (except stripped mortgage securities which are valued greater than par on the portion of unpaid principal) and senior debt obligations of the Federal National Mortgage Association ("FNMAs"); participation certificates of the General Services Administration; guaranteed mortgage-backed securities and guaranteed participation certificates of the Government National Mortgage Association ("GNMAs"); guaranteed participation certificates and guaranteed pool certificates of the Small Business Administration; debt obligations and letter of credit-backed issues of the Student Loan Marketing Association; local authority bonds of the U.S. Department of Housing & Urban Development; guaranteed Title XI financings of the U.S. Maritime Administration; guaranteed transit bonds of the Washington Metropolitan Area Transit Authority; Resolution Funding Corporation securities.

(3) Direct obligations of any state of the United States of America or any subdivision or agency thereof (a) whose unsecured, uninsured and unguaranteed general obligation debt is rated, at the time of purchase, "A" or better by Moody's Investors Service and "A" or better by

S&P Global Ratings, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured, uninsured and unguaranteed general obligation debt is rated, at the time of purchase, "A" or better by Moody's Investors Service and "A" or better by S&P Global Ratings;

(4) Commercial paper (having original maturities of not more than 270 days) rated, at the time of purchase, "P-1" by Moody's Investors Service and "A-1" or better by S&P Global Ratings;

(5) Federal funds, unsecured certificates of deposit, time deposits or bankers acceptances (in each case having maturities of not more than 365 days) of any domestic bank including a branch office of a foreign bank which branch office is located in the United States, provided legal opinions are received to the effect that full and timely payment of such deposit or similar obligation is enforceable against the principal office or any branch of such bank, which, at the time of purchase, has a short-term "Bank Deposit" rating of "P-1" by Moody's and a "Short-Term CD" rating of "A-1" or better by S&P.

(6) Deposits of any bank or savings and loan association which has combined capital, surplus and undivided profits of not less than $3 million, provided such deposits are continuously and fully insured by the Bank Insurance Fund or the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation;

(7) Investments in money-market funds rated "AAAm" or "AAAm-G" by S&P Global Ratings;

(8) Repurchase agreements collateralized by Direct Obligations, GNMAs, FNMAs or FHLMCs with any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction or any commercial bank insured by the FDIC, if such broker/dealer or bank has an uninsured, unsecured and unguaranteed obligation rated "P-1" or "A3" or better by Moody's Investors Service, and "A-1" or "A-" or better by S&P Global Ratings, provided:

a. a master repurchase agreement or specific written repurchase agreement governs the transaction; and

b. the securities are held free and clear of any lien by an independent third party acting solely as agent ("Agent") for the Bondholders, and such third party is (i) a Federal Reserve Bank, (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than $50 million or (iii) a bank approved in writing for such purpose by Financial Guaranty Insurance Company, and the Authority has received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Bondholders; and

c. a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of the Bondholders; and

d. the repurchase agreement has a term of 180 days or less, and the Agent will value the collateral securities no less frequently than weekly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two business days of such valuation; and

e. the fair market value of the securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 103%.

(9) Any additional investment approved by each Financial Institution.

(10) Local Government Investment Pool created by T.C.A. Title 9, Chapter 4, Part 7.

(11) Guaranteed investment contracts with any financial institution or corporation that at the time of investment has long-term obligations rated at least "A-" or "A3" or equivalent rating, by any nationally recognized rating agency.

(12) Forward delivery agreements with any financial institution or corporation that at the time of investment has long-term obligations rated at least "BBB-" or "Baa3" or equivalent rating, by any nationally recognized rating agency under which obligations described in (1) and/or (2) above are delivered.

(13) Term repurchase agreements with any financial institution or corporation that at the time of investment has long-term obligations rated at least "A-" or "A3" or equivalent rating, by any nationally recognized rating agency, provided that obligations shall be valued at least weekly and posted at a margin of 102% with a third-party custodian.

"Refunded Municipal Obligations" means obligations of any state or any political subdivision thereof, the District of Columbia or possession of the United States of America which obligations are rated in the highest rating category by Moody's Investors Service and S&P Global Ratings and provision for the payment of the principal of and interest on which has been made by deposit with a trustee or escrow agent of direct obligations of the United States of America, which are held by a bank or trust company organized and existing under the laws of the United States of America or any state, the District of Columbia or possession thereof in the capacity as custodian, the maturing principal of and interest on which obligations when due and payable is sufficient to pay when due the principal of and interest on such obligations of such state, political subdivision, the District of Columbia, or possession.

"Registrar" means with respect to a Series of Subordinate Bonds, the Registrar appointed for such Series of Subordinate Bonds by the Authority.

"Released Revenues" means Released Revenues as defined under "Additional Subordinate Bonds and Other Indebtedness—Released Revenues."

"Remarketing Agent" means with respect to a Series of Subordinate Bonds the Remarketing Agent appointed by the Authority and serving as such under the Remarketing Agreement for such Series, including any successors or assigns.

"Remarketing Agreement" means with respect to any Series of Variable Rate Subordinate Bonds the agreement entered into by the Authority with a Remarketing Agent which provides for the purchase and remarketing of such Variable Rate Subordinate Bonds, as such agreement may be supplemented and amended from time to time.

"Renewal and Replacement Fund" means the fund referred to in clause (xvi) under "Funds and Accounts."

"Revenue Bond Index" means the thirty (30) year Revenue Bond Index of The Bond Buyer, a publication in New York, New York, or any successor publication maintaining such Index or in the event

The Bond Buyer or any successor publication does not maintain such Index, an equivalent index with the same components as the Revenue Bond Index.

"Revenue Fund" means the fund referred to in clause (i) under "Funds and Accounts."

"Senior Bond Resolution" means the Airport Improvement Revenue Bond Resolution No. 91-09 of the Authority adopted August 15, 1991, as supplemented and amended.

"Senior Bonds" means any loans, bonds, notes or other evidences of indebtedness of the Authority issued in accordance with the provisions of the Senior Bond Resolution.

"Separate Improvements" means Separate Improvement as defined under "Additional Subordinate Bonds and Other Indebtedness—Separate Improvements."

"Series" or "Series of Subordinate Bonds" means any particular Series of Subordinate Bonds issued pursuant to a Supplemental Resolution in accordance with the Subordinate Bond Resolution.

"Series 2019 Bonds" means the Authority's Subordinate Airport Revenue Bonds, Series 2019A and Subordinate Airport Revenue Bonds, Series 2019B.

"Special Facility" or "Special Facilities" means any hangar, maintenance building or other facility or structure acquired or constructed at the Airport System for the use of one or more but not all of the Airlines or other Airport System tenant, and being used as a Special Facility, the entire cost of which has been paid from the proceeds of Special Facility Revenue Bonds, and with respect to which Special Facility the Authority has entered into a lease or installment sale contract under which rentals or other amounts payable to the Authority must be at least sufficient to pay (a) the entire amount of principal of and interest on Special Facility Revenue Bonds issued to pay the cost of the Special Facility, reserves established in connection with such Special Facility Revenue Bonds, and all other expenses in connection therewith, (b) the Authority's expenses, if any, of operating and maintaining the Special Facility, and (c) administrative and other expenses of the Airport System properly attributable to the Special Facility.

"Special Facility Revenue Bonds" means bonds or other obligations issued by the Authority to pay the cost of acquiring, constructing, improving or adding to any Special Facility, or to refund any such bonds or other obligations.

"State" means the State of Tennessee.

"Subordinate Additional Bonds Test" means the test set forth in clause (2) under the caption "Additional Subordinate Bonds and Other Indebtedness – Additional Subordinate Bonds."

"Subordinate Bonds" or "Subordinate Bond" means or have reference to bonds from time to time authenticated and delivered under the Subordinate Bond Resolution, including the Series 2019 Bonds and bonds of other Series issued on a parity with such Series of Subordinate Bonds pursuant to the Subordinate Bond Resolution.

"Subordinate Bond Redemption Fund" means the fund referred to in clause (x) under "Funds and Accounts."

"Subordinate Bond Reserve Fund" means the fund referred to in clause (xii) under "Funds and Accounts."

"Subordinate Bond Reserve Fund Requirement" means (a) unless otherwise provided in a Supplemental Resolution, with respect to Common Reserve Bonds, the lesser of (i) the greatest amount of principal and interest payable on the Common Reserve Bonds in the then current or any future Fiscal Year, (ii) 125% of the average annual principal and interest payable on the Common Reserve Bonds, or (iii) 10% of the proceeds of the Common Reserve Bonds, and (b) with respect to any Series of Subordinate Bonds that are not Common Reserve Bonds, the amount required to be maintained in the Subordinate Bond Reserve Fund with respect to such Series of Subordinate Bonds as provided in the Supplemental Resolution providing for the issuance thereof.

"Subordinate Bond Resolution" means the Master Subordinate Resolution, as amended and supplemented from time to time, and, unless the context will clearly indicate otherwise, will include all Supplemental Resolutions.

"Subordinate Commitment Fee Fund" means the fund referred to in clause (xiii) under "Funds and Accounts."

"Subordinate Construction Fund" means the fund referred to in clause (xi) under "Funds and Accounts."

"Subordinate Principal and Interest Fund" means the fund referred to in clause (ix) under "Funds and Accounts."

"Subordinate Refunding Bonds" shall have the meaning described under the caption "Additional Subordinate Bonds and Other Indebtedness—Subordinate Refunding Bonds."

"Subordinate Support Facility Fund" means the fund referred to in clause (xiv) under "Funds and Accounts."

"Subordinate Rate Covenant" means the rate covenant of the Authority described under the caption "Subordinate Rate Covenant."

"Supplemental Resolution" means any supplemental resolution adopted by the Authority pursuant to and in compliance with the provisions of the Subordinate Bond Resolution authorizing the issuance of Subordinate Bonds or amending or supplementing the provisions of the Subordinate Bond Resolution as originally adopted or as theretofore amended or supplemented.

"Support Agreement" means the agreement, if any, entered into by the Authority which provides for a Support Facility, and any and all modifications, alterations, amendments and supplements thereto.

"Support Facility" means any instrument entered into or obtained in connection with a Series of Senior Bonds or Subordinate Bonds such as a letter of credit, a committed line of credit, insurance policy, surety bond or standby bond purchase agreement, or any combination of the foregoing, and issued by a bank or banks, other financial institution or institutions, or any combination of the foregoing, which Support Facility provides for the payment of either (i) the purchase price equal to the principal of and accrued interest on Senior Bonds or Subordinate Bonds, as the case may be, delivered to the Remarketing Agent or any depository, tender agent or other party pursuant to a Remarketing Agreement or Supplemental Resolution and discount, if any, incurred in remarketing such Subordinate Bonds, or (ii) principal of and interest on all Senior Bonds or Subordinate Bonds, as the case may be, becoming due and payable during the term thereof, or both.

"Trustee" means U.S. Bank Trust Company, National Association, trustee under the Subordinate Bond Resolution and its successors in trust.

"Variable Rate Subordinate Bonds" means any Subordinate Bonds issued bearing interest at a rate per annum subject to adjustment from time to time pursuant to the terms thereof and calculated in a manner which precludes the actual rate for the entire term of such debt from being ascertainable in advance. For the purposes of this definition, Subordinate Bonds will not be considered to be Variable Rate Subordinate Bonds upon the establishment of or conversion of the rate of interest thereon to a fixed interest rate.

Additional Subordinate Bonds and Other Indebtedness

Additional Subordinate Bonds. The Authority will issue no Subordinate Bonds or other obligations secured by a lien on Net Revenues on a parity with the Subordinate Bonds under the Subordinate Bond Resolution except on the following conditions and/or as set forth under "Completion Subordinate Bonds; Subordinate Refunding Bonds; Variable Rate Subordinate Bonds; Hedge, Support and Other Financial Agreements" below:

(1) The Designated Financial Officer has found and determined that no Event of Default exists under the Subordinate Bond Resolution.

(2) Either (i) the Designated Financial Officer shall have certified that, based on the latest available audited financial statements of the Authority the Net Revenues for that Fiscal Year as derived from said audited financial statements shall have equaled not less than one hundred percent of average Debt Service on all Senior Bonds, all Subordinate Bonds Outstanding and the Subordinate Bonds of the Series then proposed to be issued and any amounts required to be deposited in the Airport Improvement Bond Reserve Fund and the Subordinate Bond Reserve Fund to make up any deficiencies therein; or (ii) an Airport Consultant shall have certified that estimated Net Revenues to be derived in each of the three full Fiscal Years following the Fiscal Year in which (a) the Authority estimates a substantial portion of the Project or Projects, the costs of acquisition or construction of which are to be financed by the issuance of such Additional Subordinate Bonds, will be placed in continuous service or in commercial operation or (b) Subordinate Refunding Bonds are issued, shall equal not less than one hundred ten percent of the Debt Service on all Senior Bonds and Subordinate Bonds to be Outstanding upon the issuance of such Additional Subordinate Bonds and including such Additional Subordinate Bonds and one hundred percent of any amounts required to be deposited in the Airport Improvement Bond Reserve Fund and the Subordinate Bond Reserve Fund to make up any deficiencies therein.

Completion Subordinate Bonds. The Authority may, without complying with the provisions of the Subordinate Additional Bonds Test, issue one or more Series of Subordinate Bonds for the purpose of completing any Project for which Subordinate Bonds have been previously issued. Prior to the issuance of any Series of such Subordinate Bonds the Authority must find and determine that such Project has not been materially changed in scope since the issuance of the initial Series of Subordinate Bonds for such purpose and that the issuance of such Subordinate Bonds is necessary to provide funds for the completion of the Project.

Subordinate Refunding Bonds. The Authority may issue one or more Series of Subordinate Bonds (herein defined and referred to as "Subordinate Refunding Bonds") under the Subordinate Bond Resolution without complying with Subordinate Additional Bonds Test in the following cases:

(1) Subordinate Bonds may be issued for the purpose of refunding (including by purchase) within one year prior to maturity any Subordinate Bond for the payment of which

sufficient Airport Revenues are not available. Any Refunding Bond issued for such purpose must mature not (and no sinking fund installments therefor may commence) earlier than the latest stated maturity of any Subordinate Bond not refunded to be Outstanding after such refunding.

(2) Subordinate Bonds bearing a fixed rate of interest may be issued at any time for the purpose of refunding (including by purchase) at any time any Subordinate Bonds bearing a fixed rate of interest, including amounts to pay principal, redemption premium and interest to the date of maturity or redemption (or purchase) and the expenses of issuing the Subordinate Refunding Bonds and of effecting such refunding, provided that the Debt Service on all Subordinate Bonds to be Outstanding after the issuance of the Subordinate Refunding Bonds must not be greater in any Fiscal Year in which Subordinate Bonds not refunded will remain Outstanding than would have been the Debt Service on Subordinate Bonds in any such Fiscal Year were such refunding not to occur.

(3) Variable Rate Subordinate Bonds may be issued at any time for the purpose of refunding (including by purchase) at any time any Subordinate Bonds bearing a fixed rate of interest, including amounts to pay principal, redemption premium and interest to the date of maturity or redemption (or purchase) and the expenses of issuing the Subordinate Refunding Bonds and of effecting such refunding, provided that the Debt Service on all Subordinate Bonds to be Outstanding after the issuance of the Subordinate Refunding Bonds (assuming such Variable Rate Subordinate Bonds bear a fixed rate of interest equal to the highest of: (i) the actual rate on the date of calculation, or if the Subordinate Bonds are not yet Outstanding, the initial rate (if established and binding), (ii) if the Subordinate Bonds have been Outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation, and (iii) (1) if interest on the Subordinate Bonds is excludable from gross income under the applicable provisions of the Internal Revenue Code, the most recently published Revenue Bond Index, or (2) if interest is not so excludable, the interest rate on direct U. S. Treasury obligations with comparable maturities must not be greater in any Fiscal Year in which Subordinate Bonds not refunded will remain Outstanding than would have been the Debt Service on Subordinate Bonds in any such Fiscal Year were such refunding not to occur.

Special Facility Revenue Bonds. The Authority may issue Special Facility Revenue Bonds without regard to the Subordinate Additional Bonds Test, if the lease or installment sale contract securing such Special Facility Revenue Bonds must make provision for amounts payable to the Authority, as Airport Revenues, properly attributable to the Special Facility as administrative and other expenses of the Airport System; provided, however, that the construction of a Special Facility and the issuance of Special Facility Revenue Bonds must not result in a reduction in Net Revenues or otherwise impair the security afforded Bondholders under the Subordinate Bond Resolution.

Subordinate Lien Obligations. The Authority may issue bonds, notes, certificates, warrants or other evidences of indebtedness for any corporate use or purpose of the Authority relating to the Airport System payable as to principal and interest from the Airport Revenues subject and subordinate, and secured by a lien and pledge on the Airport Revenues junior and inferior, to the lien and pledge on the Net Revenues created in the Subordinate Bond Resolution for the payment and security of the Subordinate Bonds.

Variable Rate Subordinate Bonds. The Authority may issue Variable Rate Subordinate Bonds. The Supplemental Resolution or Resolutions providing for the issuance of such Variable Rate Subordinate Bonds may provide for the Authority to obtain Support Facilities or alternate Support Facilities and enter into Support Agreements in connection therewith, enter into Remarketing Agreements and appoint Remarketing Agents in accordance with standards specified in the Supplemental Resolution, provide for interest to be payable or redetermined on such dates and to accrue over such periods as set forth in such

Supplemental Resolution, provide for the determination or establishment of rates of interest based on determinations of a Remarketing Agent, market auction procedures or the establishment, use, composition, adjustment and change of interest indices or the establishment and use of alternate interest indices or the establishment of a fixed interest rate or rates, provide for an Interest Increment Amount, provide for the establishment of special funds and accounts in connection with the issuance of such Variable Rate Subordinate Bonds, provide for special redemption or purchase provisions for such Variable Rate Subordinate Bonds and establish notice provisions in connection with the purchase, redemption, delivery or tender of such Variable Rate Subordinate Bonds.

Other Credit Provisions. The Authority may agree to such terms, provisions, covenants and agreements with the provider of a Support Facility with respect to a Series of Subordinate Bonds and may incorporate such terms, provisions and covenants into the Supplemental Resolution providing for the issuance of such Series of Subordinate Bonds; provided such terms, provisions, covenants and agreements must not adversely affect the holders of any other Series of Subordinate Bonds. Any such term, provision, covenant or agreement which adversely affects the holders of any other Series of Subordinate Bonds will be of no force and effect.

Hedge, Support and Other Financial Agreements. The Authority may enter into Hedge Agreements, Support Agreements or other financial agreements under which payments (including but not limited to, fees, charges, expenses but excluding any termination, indemnification or other payments intended to pay any person for loss of benefits under such agreement) are payable from Net Revenues and secured by a lien on and pledge of Net Revenues on a parity with the lien on and pledge of the Net Revenues created for the payment and security of the Subordinate Bonds; provided such payments must meet the Subordinate Additional Bonds Test; provided, further, that Integrated Swap Agreement Payments will be treated as payment of interest on Subordinate Bonds. In the event any such payments, other than payments constituting principal of, premium, if any, and interest on, Subordinate Bonds, will be secured by a lien on and pledge of Net Revenues on a parity with the lien on and pledge of the Net Revenues created for the payment and security of the Subordinate Bonds, a separate account must be established in the Airport Improvement Principal and Interest Fund for the payment thereof and payments to such account must be made ratably from Net Revenues at the time Net Revenues are disbursed to the other accounts in the Airport Improvement Principal and Interest Fund pursuant to (c) under "Application of Airport Revenues." For the purposes of the Subordinate Rate Covenant and Subordinate Additional Bonds Test, and for any other provision of the Subordinate Bond Resolution as otherwise appropriate, any obligation to make payments which are payable from Net Revenues and secured by a lien on and pledge of Net Revenues on a parity with the lien on and pledge of the Net Revenues created for the payment and security of the Subordinate Bonds as provided in this paragraph will be deemed and treated as a "Subordinate Bond" under the Subordinate Bond Resolution.

Passenger Facility Charges. The Authority may by Supplemental Resolution, upon complying with the Subordinate Additional Bonds Test, (i) grant as additional security a pledge of and lien on, and a security interest for the benefit of Bondholders in, PFC Revenues to a particular Series of Subordinate Bonds ("PFC Bonds") issued under the Subordinate Bond Resolution, and (ii) provide that, upon compliance with such terms and provisions as may be set forth in the Supplemental Resolution providing for the issuance thereof, such Series of PFC Bonds will be secured solely by a pledge of and lien on such PFC Revenues. In the event the Supplemental Resolution providing for the issuance of a Series of PFC Bonds also contains provisions as set forth in (ii), the Authority must set forth in a separate resolution (a "PFC Resolution") adopted prior to the time such Series of PFC Bonds is issued the terms and provisions of which will apply to such Series of PFC Bonds at such time as such PFC Bonds are no longer secured by the Net Revenues.

In the event the Authority issues a Series of PFC Bonds, the following provisions will apply so long as such Series of PFC Bonds are Outstanding under the Subordinate Bond Resolution:

(i) PFC Revenues must be segregated in a separate account in the Revenue Fund (the "Segregated Account") and must be disbursed solely as follows to the following accounts in the order of priority as set forth below and, to the extent any PFC Revenues remain in such Segregated Account at the end of a fiscal year, may be transferred to and deposited in a separate fund or account established under the PFC Resolution and may be applied to any lawful purpose:

(1) an interest account in the Subordinate Principal and Interest Fund in which must be deposited PFC Revenues necessary to pay interest on such Series of PFC Bonds.

(2) a principal account in the Subordinate Principal and Interest Fund in which must be deposited PFC Revenues necessary to pay principal of such Series of PFC Bonds.

(3) an account in the Subordinate Bond Reserve Fund in which must be deposited PFC Revenues necessary to maintain such account in amount established in the Supplemental Resolution providing for the issuance of such Series of PFC Bonds.

(ii) The PFC Revenues will be treated as Airport Revenues for the purposes of the Subordinate Rate Covenant and the Subordinate Additional Bonds Test.

(iii) PFC Revenues consisting of investment earnings must be deposited in the Revenue Fund, credited to the Segregated Account and applied in the same manner as all other PFC Revenues on deposit therein. Investment earnings on the proceeds of a Series of PFC Bonds (a) on deposit in the Subordinate Construction Fund must be retained therein and applied to the same purposes as the proceeds of such Series of PFC Bonds and after completion of any Project financed with said Series of PFC Bonds must be deposited in Revenue Fund for credit to the Segregated Account, (b) on deposit in an account in the Subordinate Bond Reserve Fund must be deposited in the Revenue Fund for credit to the Segregated Account. All excess proceeds of any Series of PFC Bonds, whether in the Subordinate Construction Fund or the Subordinate Bond Reserve Fund, must be deposited in Revenue Fund for credit to the Segregated Account.

(iv) To the extent there is any deficiency in any account referred to in clause (i) above, PFC Revenues credited to the Segregated Account must be applied to make up any such deficiency in any such account, and in the event PFC Revenues credited to the Segregated Account are insufficient to make up such deficiency, Net Revenues must be credited to said account in an amount necessary, together with the PFC Revenues on deposit therein, to make up such deficiency. To the extent Net Revenues are credited to any account to make up any deficiency and PFC Revenues subsequently become available prior to the expenditure of such Net Revenues, such Net Revenues must be immediately restored to the Revenue Fund.

At such time as such Series of PFC Bonds is no longer secured by the Net Revenues, such PFC Bonds will be deemed to be no longer Outstanding under the Subordinate Bond Resolution and will be outstanding solely for the purpose of the PFC Resolution. Any PFC Revenues on credit to the Segregated Account and proceeds of the Series of PFC Bonds, whether on deposit in the Subordinate Construction Fund or Subordinate Bond Reserve Fund, held under the Subordinate Bond Resolution must be transferred to and applied in the manner provided in the PFC Resolution.

Separate Improvements. Nothing contained in the Subordinate Bond Resolution prevents the Authority from authorizing and issuing bonds, notes, warrants, certificates or other obligations or evidences of indebtedness, other than Subordinate Bonds, and establish reserves in connection therewith, payable from and secured by a pledge of and lien on those revenues, proceeds, grants or other sources specifically excluded from the definition of Airport Revenues pursuant to clauses (b), (e), (g) or (h) of the definition thereof, or any combination of all or a portion of the foregoing, for the purpose of acquiring, constructing, renovating, remodeling or rehabilitating Separate Improvements. A Separate Improvement ("Separate Improvement") will be any facility or improvement in the Airport System acquired, constructed, renovated, remodeled or rehabilitated with the proceeds of bonds, notes, warrants, certificates or other obligations or evidences of indebtedness payable and secured in the manner prescribed in the first sentence hereof which the Authority determines will (i) not materially adversely affect the Outstanding Subordinate Bonds, and (ii) so long as any Subordinate Bonds are Outstanding, (A) produce revenue excluded from the definition of Airport Revenues pursuant to clause (h) of the definition thereof, or (B) have pledged or committed to the payment of all or a portion of the principal, premium, interest and other costs described below any revenues or amounts excluded from the definition of Airport Revenues pursuant to clauses (b), (e) or (g) of the definition thereof, or any combination thereof, sufficient to pay principal of, premium, if any, and interest on the bonds, notes, warrants, certificate or other obligations or evidences of indebtedness issued with respect to any such Separate Improvement and all operation and maintenance and other costs connected with the ownership, operation, maintenance, repair, renewals and rehabilitation of any such Separate Improvement (including, without limitation, insurance, utilities, payments in lieu of taxes and assessments) and the administrative costs of the Authority associated with any such Separate Improvement. Any amount attributable to administrative costs must be free and clear of all charges under any agreement or obligation entered into or issued, will be in addition to all other amounts required to be provided for as in the Subordinate Bond Resolution; and will constitute Airport Revenues and be paid into the Revenue Fund.

The Authority may authorize and issue bonds, notes, warrants, certificates or other obligations or evidences of indebtedness, other than Subordinate Bonds, for the purpose of providing proceeds to finance any Airport Purpose payable from and secured by a pledge of and lien on those revenues, proceeds, grants or other sources specifically excluded from the definition of Airport Revenues pursuant to clauses (b), (e) or (g) of the definition thereof and all income or revenues derived with respect to any Airport Purpose so financed will constitute Airport Revenues and be paid into the Airport Revenue Fund. Nothing described in this paragraph precludes the Authority from financing any Separate Improvement pursuant to the preceding paragraph.

Notwithstanding the provisions of the Subordinate Bond Resolution authorizing Separate Improvements as provided above, the Authority will not be able to undertake Separate Improvements until such provisions are effective for the purposes of the Senior Bond Resolution. See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION – Provisions Not Yet Effective – Provisions That Will Be Effective Upon Retirement of the Series 2003B Senior Bonds (July 1, 2033) – Separate Improvements."

Released Revenues.

(a) The Authority may cause a category of income, receipts or other revenues then included in the definition of "Airport Revenues" to be excluded from such definition for all purposes of this Resolution, pursuant to the Senior Bond Resolution, which exclusion shall be effective without Bondholder consent, or

(b) If no Senior Bonds are Outstanding, the Authority may by a Supplemental Resolution adopted by the Board cause a category of income, receipts or other revenues then included in the definition of "Airport Revenues" as defined in the Subordinate Bond Resolution to be excluded from such definition for all purposes of the Subordinate Bond Resolution, which exclusion will be effective without Bondholder consent, from the date of adoption of such Supplemental Resolution after receipt by the Board of the following:

(i) a certificate of the Designated Financial Officer that no Event of Default as defined in under the Subordinate Bond Resolution exists thereunder; and

(ii) a certificate or report of the Designated Financial Officer or an Airport Consultant to the effect that Airport Revenues for each of the two Fiscal Years for which audited financial statements are available immediately preceding the date of such certificate or report were sufficient to satisfy the Subordinate Rate Covenant of the Subordinate Bond Resolution for each of such two Fiscal Years, assuming for the purposes of complying with the last sentence of subsection 1 of the Subordinate Rate Covenant one hundred fifty percent (instead of one hundred ten percent).

Regarding clause (a) above, see APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION – Provisions Not Yet Effective – Provisions That Will Be Effective Upon Retirement of the Series 2003B Senior Bonds (July 1, 2033) – Released Revenues."

Obligations Incurred Pursuant to the Senior Bond Resolution. Nothing in the Subordinate Bond Resolution shall prevent the Authority from issuing additional Senior Bonds, entering into Hedge Agreements and Support Agreements or obtaining Support Facilities with respect to Senior Bonds in accordance with the Senior Bond Resolution.

Funds and Accounts

The funds listed in (i) and (ii) below were continued under the Subordinate Bond Resolution. All other funds listed below were created under the Subordinate Bond Resolution. All such funds are held and administered by the Authority.

(i) Revenue Fund;

(ii) Operating Fund;

(iii) Airport Improvement Principal and Interest Fund Principal and Interest Fund, and therein an Interest Account and a Principal Account for each Series of Subordinate Bonds;

(iv) Airport Improvement Bond Redemption Fund;

(v) Airport Improvement Construction Fund;

(vi) Airport Improvement Bond Reserve Fund, and therein an account with respect to each Series of Subordinate Bonds;

(vii) Commitment Fee Fund;

(viii) Support Facility Fund;

(ix) Subordinate Principal and Interest Fund Principal and Interest Fund, and therein an Interest Account and a Principal Account for each Series of Subordinate Bonds;

(x) Subordinate Bond Redemption Fund;

(xi) Subordinate Construction Fund;

(xii) Subordinate Bond Reserve Fund, and therein an account with respect to each Series of Subordinate Bonds;

(xiii) Subordinate Commitment Fee Fund;

(xiv) Subordinate Support Facility Fund;

(xv) Operations and Maintenance Reserve Fund;

(xvi) Renewal and Replacement Fund; and

(xvii) Nashville Airports Experience (NAE) Fund.

Revenue Fund. All Airport Revenues are required to be deposited in the Revenue Fund and will be disbursed as described below under "– Application of Airport Revenues."

Operating Fund. Amounts on deposit in the Operating Fund used solely for the purpose of paying Operating Expenses.

Airport Improvement Principal and Interest Fund. For a description of the Airport Improvement Principal and Interest Fund, see "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION – Funds and Accounts – Airport Improvement Principal and Interest Fund.

Airport Improvement Bond Redemption Fund. For a description of the Airport Improvement Principal and Interest Fund, see "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION – Funds and Accounts – Airport Improvement Bond Redemption Fund.

Airport Improvement Construction Fund. For a description of the Airport Improvement Principal and Interest Fund, see "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION – Funds and Accounts – Airport Improvement Construction Fund.

Airport Improvement Bond Reserve Fund. For a description of the Airport Improvement Principal and Interest Fund, see "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION – Funds and Accounts – Airport Improvement Bond Reserve Fund.

Commitment Fee Fund. For a description of the Airport Improvement Principal and Interest Fund, see "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION – Funds and Accounts – Commitment Fee Fund.

Support Facility Fund. For a description of the Airport Improvement Principal and Interest Fund, see "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION – Funds and Accounts – Support Facility Fund.

Subordinate Principal and Interest Fund. An Interest Account and a Principal Account for each Series of Subordinate Bonds is required to be established in the Subordinate Principal and Interest Fund and amounts on deposit in each Principal and Interest Account will be disbursed solely for the purpose of paying principal of and interest on the Subordinate Bonds of the Series for which such accounts were created as the same come due, and to the full extent of money therein available for that purpose, to redeem Subordinate Bonds of the Series for which such accounts were created in the manner provided in the Subordinate Bond Resolution, and may not be applied to the payment of principal of or interest on any other Series of Subordinate Bonds.

Subordinate Bond Redemption Fund. Amounts on deposit in the Subordinate Bond Redemption Fund will be disbursed solely for the purpose of paying principal of and interest due on Subordinate Bonds called for redemption or otherwise paid in advance of maturity.

Subordinate Construction Fund. Amounts on deposit in the Subordinate Construction Fund will be disbursed to pay Costs of Construction in the manner provided in the Subordinate Bond Resolution.

Subordinate Bond Reserve Fund. An account with respect to each Series of Subordinate Bonds is required to be established and maintained in the Subordinate Bond Reserve Fund. Amounts on deposit in each such account must be disbursed solely for the purpose of paying principal of and interest on Subordinate Bonds of the Series for which such account was established for the payment of which there is insufficient money in the Subordinate Principal and Interest Fund and the holders of any other Series of Subordinate Bonds has no right to payment of principal of or interest on Subordinate Bonds from or lien on amounts on deposit in such account. The Subordinate Bond Reserve Fund Requirement must be determined at the time of issuance of each Series of Subordinate Bonds, July 1 of each year and such other time or times as the Authority hall determine. The Subordinate Bond Reserve Fund Requirement with respect to any Series of Subordinate Bonds and the manner in which such Subordinate Bond Reserve Fund Requirement is initially funded, the sources of such initial funding and the period of time in which such initial funding must be completed will be as set forth in the Supplemental Resolution providing for the issuance of such Series of Subordinate Bonds.

When a Series of Subordinate Bonds is refunded or is otherwise paid so that all of the Subordinate Bonds of such Series are no longer Outstanding, moneys may be withdrawn from the Subordinate Bond Reserve Fund to pay or provide for the payment of such Subordinate Bonds or refunded Subordinate Bonds, as the case may be, or may be transferred and applied to any reserve fund or account established for the refunding Subordinate Bonds issued to refund such refunded Subordinate Bonds or may be otherwise applied in a manner which in the opinion of bond counsel to the Authority will not adversely affect the exclusion of interest on the Subordinate Bonds from gross income of the holders thereof for federal income tax purposes; provided that immediately after such withdrawal or transfer there is on credit to the Subordinate Bond Reserve Fund an amount equal to the Subordinate Bond Reserve Fund Requirement.

In lieu of the deposit of moneys in the Subordinate Bond Reserve Fund, the Authority may cause to be so credited a surety bond or an insurance policy payable to the Authority for the benefit of the holders of the Subordinate Bonds or a letter of credit in an amount equal to the difference between the Subordinate Bond Reserve Fund Requirement and the amounts then on deposit in the Subordinate Bond Reserve Fund with respect to the Subordinate Bonds of a Series. The surety bond, insurance policy or letter of credit must be payable (upon the giving of notice as required under the Subordinate Bond Resolution) on any date on which (a) moneys will be required to be withdrawn from the Subordinate Bond Reserve Fund and applied to the payment of the principal of or interest on the Subordinate Bonds of a Series with respect to which such surety bond, insurance policy or letter of credit was obtained, and (b) such withdrawals cannot be made from amounts credited to the appropriate account in the Subordinate Bond Reserve Fund. The insurer providing such surety bond or insurance policy must be an insurer whose municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated in a least the "A" category or equivalent by either Standard & Poor's Rating Group or Moody's Investors Service, or their successors. The letter of credit issuer must be a bank or trust company which is rated not lower than the third highest rating category by either S&P Global Ratings or Moody's Investors Service, or their successors. If a disbursement is made pursuant to a surety bond, an insurance policy or a letter of credit provided pursuant to this paragraph the Authority will be obligated either (i) to reinstate the maximum limits of such surety bond, insurance policy or letter of credit or (ii) to deposit into the Subordinate Bond Reserve Fund, funds in the amount of the disbursement made under such surety bond, insurance policy or letter of credit, or a combination of such alternatives, as will provide that the amount credited to the Subordinate Bond Reserve Fund equals the Subordinate Bond Reserve Fund Requirement for such Series of Subordinate Bonds. The Authority will be further obligated to pay such interest on any disbursement made pursuant to a surety bond, insurance policy or letter of credit as may be specified therein and the related expenses of the provider of such surety bond, insurance policy or letter of credit and such amounts must be payable to such provider in the same manner and at the same time as any other deposits required to be made to the Subordinate Bond Reserve Fund as described in subsection (d) under the caption "– Application of Airport Revenues."

If the issuer of a surety bond, insurance policy or letter of credit on deposit in the Subordinate Bond Reserve Fund ceases to have a rating described in the immediately preceding paragraph, the Authority must use reasonable efforts to replace such surety bond, insurance policy or letter of credit with one issued by an issuer having a rating so described, but is not obligated to pay, or commit to pay, increased fees, expenses or interest in connection with such replacement or to deposit Airport Revenues in the Subordinate Bond Reserve Fund in lieu of replacing such surety bond, insurance policy or letter of credit with another and such surety bond, insurance policy or letter of credit will fully satisfy the Subordinate Bond Reserve Requirement with respect to a particular Series of Subordinate Bonds notwithstanding such decrease in rating.

The Authority may establish one account for one or more Series of Subordinate Bonds in the Subordinate Principal and Interest Fund and the Subordinate Bond Reserve Fund; provided that each Series of Subordinate Bonds participating in such account(s) may be issued on different dates. Additionally, notwithstanding any other provision of the Subordinate Resolution, at the time of issuance of a Series of Subordinate Bonds, the Authority may elect (with such election being set forth in a Supplemental Resolution) that such Series of Subordinate Bonds shall not be secured by and shall not participate in the Subordinate Bond Reserve Fund.

In the event a Series of Subordinate Bonds ("Refunding Series") is issued to refund another Series of Subordinate Bonds (a "Refunded Series") in part for savings such that a portion of such Refunded Series remains Outstanding thereafter, the Designated Financial Officer may in the Certificate of Determination deem the Refunding Series to be part of the Refunded Series solely for the purpose of the provisions described under "—Subordinate Bond Reserve Fund" pertaining to the account established for such Refunded Series, and the Subordinate Bond Reserve Fund Requirement for the Refunded Series will apply to the Refunding Series and the Refunded Series as if they were a single Series of Subordinate Bonds.

Subordinate Commitment Fee Fund. Amounts on deposit in the Commitment Fee Fund will be used to pay commitment fees payable to Financial Institutions with respect to Support Facilities obtained in connection with Subordinate Bonds.

Subordinate Support Facility Fund. Amounts on deposit in the Support Facility Fund will be used to pay fees and charges (other than commitment fees) payable to Financial Institutions in connection with Support Facilities obtained in connection with Subordinate Bonds.

Operations and Maintenance Reserve Fund. Amounts on deposit in the Operations and Maintenance Reserve Fund may be used to pay Operating Expenses in the event of any insufficiency in the Operating Fund for the payment thereof. After initial funding of the Operations and Maintenance Reserve Fund as described in clause (k) under "– Application of Airport Revenues," the Operations and Maintenance Reserve Fund must be maintained in an amount equal to two (2) months of the estimated Operating Expenses for each Fiscal Year commencing with Fiscal Year 2021 or such other amount as determined in a Supplemental Resolution.

Renewal and Replacement Fund. Amounts on deposit in the Renewal and Replacement Fund may be used to pay for renewals or replacements of the Airport System to the extent permitted in the Leases. After initial funding of the Renewal and Replacement Fund as described in clause (l) under "—Application of Airport Revenues," the Renewal and Replacement Fund must be maintained in an amount equal to Five Million dollars ($5,000,000) or such other amount as determined in a Supplemental Resolution.

Nashville Airports Experience (NAE) Fund. Amounts on deposit in the Nashville Airports Experience (NAE) Fund must be used to remedy any deficiency in any of the funds enumerated in under "– Application of Airport Revenues" in order of priority and to the extent not so used may be applied to any lawful purpose of the Authority.

Application of Airport Revenues

All Airport Revenues must after receipt by the Authority be deposited for credit to the Revenue Fund which Airport Revenues must be disbursed from the Revenue Fund in the following order of priority:

(a) First, to make deposits to the credit of the Operating Fund. In each month there must be deposited in the Operating Fund an amount equal to 1/12 of the Operating Expense portion of the Annual Budget.

(b) Next, to make deposits to the credit of the Commitment Fee Fund required by the Senior Bond Resolution.

(c) Next to make deposits to the credit of the Airport Improvement Principal and Interest Fund required by the Senior Bond Resolution.

(d) Next to make deposits to the credit of the Airport Improvement Bond Reserve Fund required by the Senior Bond Resolution.

(e) Next to make deposits to the Support Facility Fund required by the Senior Bond Resolution.

(f) Next, to make deposits to the credit of the Subordinate Commitment Fee Fund in each month in an amount so that there shall be on deposit therein the commitment fees payable to a Financial Institution with respect to a Support Facility provided with respect to Subordinate Bonds as the same become due and payable.

(g) Next to make deposits to the credit of the Subordinate Principal and Interest Fund. In each month, commencing with the 25th day of the month which follows the last month for which interest on such Series of Subordinate Bonds, if any, is fully provided from moneys credited to a Construction Interest Account, (a) with respect to each Series of Subordinate Bonds (other than Variable Rate Subordinate Bonds which have Interest Payment Dates occurring at intervals of one month or less), commencing on such 25th day and continuing on the 25th day of each month thereafter so long as any of the Subordinate Bonds of such Series are Outstanding, there must be credited to the Interest Account an amount such that, if the same amount were so credited to the Interest Account on the 25th day of each succeeding month thereafter, the aggregate of such amounts on credit to the Interest Account on the 25th day of the month preceding an Interest Payment Date will be equal to the installment of interest falling due on the Subordinate Bonds on such Interest Payment Date or the amount required to reimburse the Financial Institution for a draw on the Support Facility made to provide funds for the payment thereof, and (b) with respect to Variable Rate Subordinate Bonds (which have Interest Payment Dates occurring at intervals of one month or less), on the 25th day of the month prior to each Interest Payment Date there must be credited to the Interest Account the amount required together with other funds available therefor in the Interest Account, to pay, or to reimburse the Financial Institution for a draw on the Support Facility made to provide funds for the payment of, the interest payable on the Outstanding Variable Rate Subordinate Bonds on such Interest Payment Date. In each month, commencing with the 25th day of the month which is twelve (12) months prior to the first principal payment date of such Subordinate Bonds maturing serially or the first installment to provide for the retirement of Subordinate Bonds in "term bond" form and on the 25th day of each month thereafter so long as any of such Subordinate Bonds are Outstanding, there must be credited to the Principal Account an amount such that, if the same amount were so credited to the Principal Account for such Series on the 25th day of each succeeding month thereafter, the aggregate of such amounts on credit to the Principal Account will on the principal payment date or date upon which a sinking fund installment falls due be equal to the principal amount of all such Series of Subordinate Bonds becoming due on such principal payment date or be sufficient to redeem the term Subordinate Bonds of such Series in the principal amounts and at the times specified in the Supplemental Resolution authorizing the issuance thereof, as the case may be. Deposits required to be made pursuant to paragraph (c) or this paragraph (g) shall not include principal or interest on Senior Bonds or Subordinate Bonds paid or to be paid from amounts that are not Airport Revenues; provided, however, that in order to exclude deposits required to be made pursuant to paragraph (c) or this paragraph (g) with respect to principal or interest on Senior Bonds or Subordinate Bonds paid or to be paid from PFC Revenues, the Authority must designate such PFC Revenues as "PFCs Available for Debt Service" by filing a certificate signed by a Designated Financial Officer that includes (a) a representation on behalf of the Authority that such PFC Revenues, when received by the Authority, may be validly designated as and included in "PFCs Available for Debt Service" and are or will be legally available to pay the principal of, premium, if any, and interest on all or a portion of the Senior Bonds or Subordinate Bonds, (b) the amount of PFC Revenues that are being designated as and included in "PFCs Available for Debt Service," (c) identify the special account(s) such "PFCs Available for Debt Service" are to be deposited to, and (d) the time period during which such PFC Revenues will be designated as and included in "PFCs Available for Debt Service." After the filing of such certificate, the Authority shall cause the "PFCs Available for Debt Service" designated therein to be deposited to the special account(s) identified in such certificate and used to pay principal of and interest on the applicable Series of Senior Bonds or Subordinate Bonds. Notwithstanding any other provision hereof, if such "PFCs Available for Debt Service" are subject to any prior pledge or lien or irrevocable commitment, the application thereof to the payment of principal of and interest on the Senior Bonds or Subordinate Bonds shall be subordinate to the terms of such pledge or lien or irrevocable commitment and the certificate of the Designated Financial Officer designating the "PFCs Available for Debt Service" shall indicate the amount of the obligation payable in such Fiscal Year from the "PFCs Available for Debt Service" pursuant to such pledge or lien or irrevocable commitment.

(h) Next to make deposits to the credit of the Subordinate Bond Reserve Fund. In each month there must be deposited in each account in the Subordinate Bond Reserve Fund the amount required by the provisions of the Subordinate Bond Resolution. At any time after completion of the initial funding of an account in the Subordinate Bond Reserve Fund established with respect to a Series of Subordinate Bonds in accordance with the Supplemental Resolution providing for the issuance of such Series of Subordinate Bonds, if a deficiency in an account in the Subordinate Bond Reserve Fund is due to the withdrawal of moneys on deposit therein to pay principal of or interest on a particular Series of Subordinate Bonds then in each month, commencing with the month which follows the month in which such withdrawal is made from such account in the Subordinate Bond Reserve Fund the Authority must deposit from the Net Revenues on deposit in the Revenue Fund after making the deposits in clauses (a) through (c) to the deficient account in the Subordinate Bond

Reserve Fund at least an amount which, if the same amount were so deposited to such account in the Subordinate Bond Reserve Fund in each month thereafter until the last day of the month which is twelve (12) months from the making of the first of such deposits, there will be on deposit in such account in the Subordinate Bond Reserve Fund on such day an amount not less than the Subordinate Bond Reserve Requirement for such Series of Subordinate Bonds. When the amount in an account in the Subordinate Bond Reserve Fund is equal to or exceeds the Subordinate Bond Reserve Fund Requirement for the related Series of Subordinate Bonds, no further deposits need be made into such Subordinate Bond Reserve Fund and any excess may be transferred to the Nashville Airports Experience (NAE) Fund.

(i) Next to make deposits to the Subordinate Support Facility Fund in amounts sufficient to pay all fees and charges to the Financial Institution in connection with a Support Facility other than amounts constituting commitment fees or interest on Subordinate Bonds held by such Financial Institution.

(j) Next to provide for the payment of the next succeeding installment of Other Subordinate Obligations and any amounts required to be deposited in any reserve funds established therefor.

(k) Next to the Operations and Maintenance Reserve Fund in amounts sufficient to complete the initial funding of the Operations and Maintenance Reserve Fund in Fiscal Year 2020 and thereafter replenish during the next Fiscal Year any withdrawals from the Operations and Maintenance Reserve Fund.

(l) Next to the Renewal and Replacement Fund in amounts sufficient to complete the initial funding of the Renewal and Replacement Fund in Fiscal Year 2020 and thereafter replenish during the next Fiscal Year any withdrawals from the Renewal and Replacement Fund.

(m) Money thereafter remaining in the Revenue Fund will be deposited in the Nashville Airports Experience (NAE) Fund.

Money in the Revenue Fund will be allotted to and paid into the various funds hereinbefore referred to in the order in which said funds are listed and on a cumulative basis and if in any month money in the Revenue Fund is insufficient to deposit the required amount in any of said funds the deficiency must, to the extent not paid from the Nashville Airports Experience (NAE) Fund, be made up in the following month or months after payment into all other funds enjoying a prior claim has been made in full.

Money received by the Authority from any of the following sources:

(i) the net proceeds of any condemnation award in the event of the condemnation of all or any part of the Airport System; and

(ii) net insurance proceeds in the event of damage to the Airport Facilities;

must be deposited either in the (A) Nashville Airports Experience (NAE) Fund and applied to the restoration of the Airport Facilities, or (B) if the Authority has determined that the continued operation of the Airport is not feasible, in the Airport Improvement Bond Redemption Fund and applied to the prompt retirement of Senior Bonds and (C) thereafter in the Subordinate Bond Redemption Fund and applied to the prompt retirement of Subordinate Bonds, in the case of (B) or (C) above, by redemption, or by purchase at a price not higher than the redemption price on the next succeeding redemption date.

Investment of Funds

Money in any of the funds created or continued in the Subordinate Bond Resolution must be invested by the Authority or at the Authority's direction in Qualified Investments. Unless otherwise provided in a Supplemental Resolution with respect to an account established in the Airport Improvement Bond Reserve Fund for a Series of Subordinate Bonds, money in the Airport Improvement Bond Reserve Fund may be invested in Qualified Investments maturing not later than ten years after the date of investment. Money in the Nashville Airports Experience (NAE) Fund may be invested in Qualified Investments maturing not later than five years after the date of the investment. Money in all other funds may be invested in Qualified Investments maturing not later than the time at which the money so invested is required for the purposes of the fund. Qualified Investments in the Airport Improvement Bond Reserve Fund must be valued as of July 1 of each year or upon withdrawals therefrom at market value, exclusive of accrued interest. A surety bond, letter of credit or insurance policy obtained as described under "– Airport Improvement Bond Reserve Fund" must be valued at the amount payable under the Subordinate Bond Resolution.

All income derived from the investment of money on deposit in the Subordinate Construction Fund must be retained in said fund during any period of construction of a Project and thereafter must be deposited in the Revenue Fund. All income derived from the investment of money on deposit in any other fund to the extent not required to be retained therein to satisfy the funding requirements thereof, must be deposited in the Revenue Fund, except as may otherwise be provided in any Supplemental Resolution authorizing Additional Subordinate Bonds.

Insurance

The Authority will carry insurance with generally recognized responsible insurers with policies payable to the Authority against risks, accidents or casualties at least to the extent that similar insurance is usually carried by airport operators operating properties similar to the Airport System. The Authority is required to seek the advice and counsel from time to time of an independent insurance consultant or consultants to advise and assist the Authority with respect to the insurance program of the Airport System, and the Authority must take into consideration the advice of such insurance consultant or consultants in the placement of insurance and the establishment of a self-insurance fund or funds of the Authority as provided in the Subordinate Bond Resolution.

Any insurance carried by the Authority pursuant to the Subordinate Bond Resolution may be procured and maintained as part of or in conjunction with any other policy or policies carried by it. The Authority may create and establish special funds for self-insurance. In the event the Authority establishes and maintains any such special funds, the Authority must establish such reasonable reserves as recommended by an insurance consultant and must obtain at least annually a certificate of such insurance consultant regarding the adequacy of such reserves.

The proceeds of all insurance, to the extent the same are paid directly to the Authority, must be applied as follows: (i) the proceeds of fire and extended coverage insurance and war damage insurance must be deposited in the Nashville Airports Experience (NAE) Fund and applied to the repairing, replacing or reconstruction of the damaged or destroyed property and thereafter in the Airport Improvement Bond Redemption Fund provided in the Senior Bond Resolution and thereafter in the Subordinate Bond Redemption Fund as herein provided; (ii) the proceeds of loss of use insurance must be deposited in the Revenue Fund for use and application as are all other moneys deposited in that Fund; and (iii) the proceeds of liability insurance and workmen's compensation insurance must be applied toward extinguishing or satisfying or remedying the liability, loss or damage with respect to which such proceeds may be paid.

Subordinate Rate Covenant

(1) The Authority must impose and prescribe such schedule of rates, rentals, fees and charges for the use and services of and the facilities and commodities furnished by the Airport System, and shall revise the same from time to time whenever necessary, and collect the income, receipts and other moneys derived therefrom, so that the Airport System shall be and always remain financially self-sufficient and self-sustaining. The rates, rentals, fees and charges imposed, prescribed and collected shall be such as will produce Airport Revenues at least sufficient (i) to pay the principal of and interest and premium on the Senior Bonds and Subordinate Bonds as and when the same become due (whether at maturity or upon required redemption prior to maturity or otherwise); (ii) to pay as and when the same become due all Operating Expenses, (iii) to pay as and when the same become due any and all other claims, charges or obligations payable from Airport Revenues, and (iv) to carry out all provisions and covenants of this Resolution. Without limiting the provisions of the next preceding sentence of this section, at all times and in any and all events such rates, rentals, fees and charges shall be imposed, prescribed, adjusted, enforced and collected sufficient to produce Net Revenues, which, together with other available funds, will at least equal one hundred ten percent of Debt Service on all Senior Bonds and Subordinate Bonds Outstanding.

(2) The failure to comply with the covenant in the foregoing paragraph shall not constitute an Event of Default under the Subordinate Bond Resolution if the Authority, within 120 days of such failure to comply, (i) causes an Airport Consultant to make a study for the purpose of making recommendations with respect to rates, rentals, fees and charges for the Airport System in order to provide funds for all the payments and other requirements as specified in the preceding paragraph; (ii) considers the recommendations of the Airport Consultant, and (iii) takes such action as the Authority, in its discretion, may deem necessary to comply with the preceding paragraph.

Certain Other Covenants of the Authority

Negative Pledge. The Authority will not create or give, or cause to be created or given, or permit to be created or given, or suffer to exist, any mortgage, lien, pledge, charge or other encumbrance upon any real or personal property constituting the Airport System or assign, pledge, transfer, or, except as provided in the Subordinate Bond Resolution, hypothecate any Airport Revenues. Except where Additional Subordinate Bonds are permitted under the Subordinate Bond Resolution, the Authority will not create or permit the creation of or issue any bonds, notes, warrants or other obligations or evidences of indebtedness or create any additional indebtedness which will be payable as to principal or interest, or both, from the Airport Revenues prior to or on a parity with the payment therefrom of the principal of or interest on the Subordinate Bonds.

Sale or Other Disposition of Property. The Authority will not sell or otherwise dispose of real or other properties constituting Airport Facilities required for the efficient operation of the Airport System. Property not required for the efficient operation of the Airport System may be sold or otherwise disposed of by the Authority only if the estimated Airport Revenues to be derived from the remaining properties of the Airport System will be sufficient to enable the Authority to comply with all covenants and conditions of the Subordinate Bond Resolution. The proceeds of any such sale will be deposited in the Nashville Airports Experience (NAE) Fund.

Special Covenants with Respect to Federal Tax Status of Subordinate Bonds. The Authority may issue a Series of Subordinate Bonds under the Subordinate Bond Resolution the interest on which is either taxable or excludable from gross income for federal income tax purposes. If any Series of Subordinate Bonds is issued the interest on which is excludable from gross income for federal income tax purposes, so long as any of the Subordinate Bonds of such Series are Outstanding, the Authority must comply with all applicable provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986 as amended and all applicable regulations of the Internal Revenue Service proposed and promulgated thereunder.

Other Covenants. The Authority will: (1) maintain the Airport System, or cause it to be maintained, in good repair and condition, ordinary wear and tear excepted, and will not commit or allow any waste; (2) will promptly take such actions as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Airport Revenues or any part thereof; (3) adopt Annual Budgets; (4) except in connection with a refunding issue, not assent to extensions of time for payment of interest; (5) keep proper books and accounts and prepare financial statements and provide for the annual auditing of such books and accounts; (6) pay all assessments and charges upon the Airport System promptly.

Defaults and Remedies

Events of Default. Under the Subordinate Bond Resolution, the happening of one or more of the following events constitute an "Event of Default":

(a) if default is made by the Authority in the due and punctual payment of the principal of or interest or premium (if any) on any Subordinate Bond when and as the same is due and payable;

(b) if a default occurs in the performance or observance by the Authority of the covenants, agreements and conditions contained in the Subordinate Rate Covenant (except as provided in subsection 2 thereof);

(c) if the Authority has defaulted in the performance or observance of any of the covenants, agreements or conditions contained in the Subordinate Bond Resolution or in the Subordinate Bonds (other than as described in (a) and (b) above), and such default continues for a period of 60 days after written notice thereof, specifying such default and requiring the same to be remedied, has been given to the Authority by the Trustee, or to the Authority and the Trustee by the holders of not less than 25% in aggregate principal amount of the Outstanding Subordinate Bonds;

(d) An event of default has occurred and is continuing under the Senior Bond Resolution;

(e) if the Authority (i) admits in writing its inability to pay its debts generally as they come due, (ii) files a petition in bankruptcy or takes advantage of any insolvency act, (iii) makes an assignment for the benefit of its creditors (iv) consents to the appointment of a receiver of itself or of the whole or any substantial part of its property, or (v) in a petition in bankruptcy filed against the Authority, is adjudicated as bankrupt;

(f) if the Authority files a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof, or if a court of competent jurisdiction enters an order, judgment or decree appointing, without the consent of the Authority, a receiver of the Authority, or of the whole or any substantial part of its property, or approving a petition filed against the Authority seeking reorganization of the Authority under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof, and such order, judgment or decree is not be vacated or set aside or stayed within 60 days from the date of the entry thereof; or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction assumes custody or control of the Authority or of the whole or any substantial part of its property, and such custody or control is not be terminated or stayed within 60 days from the date of assumption of such custody or control;

The Trustee must give written notice by mail to all the holders of Subordinate Bonds as their names and addresses appear upon the books of registry of all events of default known to the Trustee, within thirty (30) days after the occurrence thereof, unless the event of default has been cured before the giving of such notice.

Remedies. In each and every case of an event of default, and during the continuance of such event of default, unless cured by the Authority within 30 days after written notice thereof, and unless the principal of all the Subordinate Bonds has already become due and payable, the Trustee by notice in writing to the Authority.

Upon the occurrence of an Event of Default, the Authority must, upon demand by the Trustee or upon demand made by the holders of 25% in principal amount of the Outstanding Subordinate Bonds, transfer Net Revenues held by the Authority and all Funds and Accounts established under the Subordinate Bond Resolution to the Trustee and such Net Revenues and Funds and Accounts will be administered by the Trustee in place of the Authority in accordance with the Senior Bond Resolution and the Subordinate Bond Resolution.

Actions by Trustee in Event of Default. The Trustee, in case of an event of default, may, and upon the written request of the holders of not less than 25% in principal amount of the Subordinate Bonds then Outstanding, and upon being indemnified to its satisfaction, may, exercise any or all of the following remedies to the extent that the same is then legally available:

(i) the Trustee may proceed to protect and enforce its rights and the rights of the holders of the Subordinate Bonds by a suit or suits in equity, in bankruptcy or at law, either in mandamus or for the specific performance of any covenant or agreement contained in the Subordinate Bond Resolution or in aid of the execution of any power granted in the Subordinate Bond Resolution , or for the enforcement of any other appropriate legal or equitable remedy, including all the rights and remedies of a secured party under the Uniform Commercial Code or other applicable law, as the Trustee, being advised by counsel, may deem most effectual to protect and enforce any of the rights or interests under the Subordinate Bonds and/or the Subordinate Bond Resolution;

(ii) the Trustee may, upon written approval of the holders of a majority of the Senior Bonds, proceed by appropriate proceedings in any court of competent jurisdiction in the event of default in the payment of principal of or interest on any Subordinate Bonds, to obtain the appointment of a receiver for the Airport System, which receiver may enter upon and take possession of the Airport System and fix rates and charges and collect all Airport Revenues arising therefrom in as full a manner and to the same extent as the Authority itself might do. The receiver is required to collect and dispose of Airport Revenues in accordance with the terms and conditions of the Subordinate Bond Resolution or as the court directs.

Limitation on Suits or Actions by Bondholders. No Bondholder has any right to institute or prosecute any suit or proceeding at law or in equity for the appointment of a receiver of the Authority, for the enforcement of any of the provisions of the Subordinate Bond Resolution or of any remedies under the Subordinate Bond Resolution unless the Trustee, after a request in writing by the holders of 25% in aggregate principal amount of the Outstanding Subordinate Bonds, and after the Trustee has been assured such reasonable indemnity as it may require, has neglected for 60 days to take such action; provided, however, that the right of any holder of any Subordinate Bond to receive payment of principal and/or interest on or after the respective due dates expressed therein, or to institute suit for the enforcement of any such payment, may not be impaired or affected without the consent of such holder.

Bondholders' Committee. In the event that the Trustee has failed or refused to comply with the written request or direction of the holders of Subordinate Bonds as provided under "– Limitation on Suits or Actions by Bondholders," the holders of not less than twenty percent (20%) in principal amount of the Subordinate Bonds then Outstanding may call a meeting of the holders of Subordinate Bonds for the purpose of electing a Bondholders' Committee. Such meeting will be called and proceedings thereat will be conducted as required by the Subordinate Bond Resolution. At such meeting the holders of not less than a majority in principal amount of the Subordinate Bonds Outstanding must be present in person or by proxy in order to constitute a quorum for the transaction of business, less than a quorum, however, having power to adjourn from time to time without any other notice than the announcement thereof at the meeting. A quorum being present at such meeting the Bondholders present in person or by proxy may, by a majority of the votes cast, elect one or more persons, who may or may not be Bondholders, to the Bondholders' Committee which will act as trustee for all Bondholders. The Bondholders present in person or by proxy at such meeting, or at any adjourned meeting thereof, (i) may prescribe the manner in which the successors of the persons elected to the Bondholders' Committee at such Bondholders' meeting will be elected or appointed; (ii) may prescribe rules and regulations governing the exercise by the Bondholders' Committee of the power conferred upon it; and (iii) may provide for the termination of the existence of the Bondholders' Committee. The Bondholders' Committee elected by the Bondholders in the manner provided in the Subordinate Bond Resolution, and their successors, as a Committee, are declared to be trustees for the holders of all the Subordinate Bonds then Outstanding, and are empowered to exercise in the name of the Bondholders' Committee as trustee, all the rights and powers regarding defaults and remedies conferred on the Trustee or any Bondholder.

Concerning the Trustee, Registrar and Paying Agent

U.S. Bank Trust Company, National Association is Trustee under the Subordinate Bond Resolution (the "Trustee"). Prior to the occurrence of an Event of Default under the Subordinate Bond Resolution, the Trustee has no duties and obligations as trustee under the Subordinate Bond Resolution other than to act as paying agent or as registrar if so appointed under the Subordinate Bond Resolution or in a supplemental resolution with respect to a Series of Subordinate Bonds and upon the occurrence of an Event of Default under the Subordinate Bond Resolution of which it has actual knowledge, all such estate, properties, rights, powers, trusts, duties and obligations granted to the Trustee under the Subordinate Bond Resolution will vest in the Trustee unless and until all such Events of Default have been cured in accordance with the provisions of the Subordinate Bond Resolution. The Subordinate Bond Resolution contains provisions regarding the appointment and removal of the Trustee. The Authority may at any time remove the Trustee, provided that such removal is subject to revocation by 10% of the holders of Subordinate Bonds Outstanding and that such removal may not be effected if an Event of Default has occurred and is continuing or there is any deficiency in any fund or account held under the Subordinate Bond Resolution.

Supplemental Resolutions

Supplements Without Holder Consent. The Authority, may adopt resolutions supplemental to the Subordinate Bond Resolution without holder consent for any or more of the following purposes:

(a) to add to the covenants and agreements of the Authority under the Subordinate Bond Resolution, or to surrender any right or power reserved or conferred upon the Authority in the Subordinate Bond Resolution;

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

(c) to subject, describe or redescribe any property subjected or to be subjected to the lien of the Subordinate Bond Resolution;

(d) to provide for the issuance of Additional Subordinate Bonds to the extent permitted under the Subordinate Bond Resolution;

(e) to modify, amend or supplement the Subordinate Bond Resolution or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect, and, if they so determine, to add to the Subordinate Bond Resolution or any resolution supplemental hereto such other terms, conditions and provisions as may be permitted by the Trust Indenture Act of 1939 (other than the provisions of Section 316(a)(2) thereof) or similar federal statute;

(f) To grant to or confer upon the holders of the Subordinate Bonds any additional rights, remedies, powers, authority or security that lawfully may be granted to or conferred upon them;

(g) To prescribe further limitations and restrictions upon the issuance of Subordinate Bonds and the incurring of indebtedness by the Authority payable from the Airport Revenues;

(h) To make any modification to a Supplemental Resolution as may be specifically provided for therein with respect to a Series of Variable Rate Subordinate Bonds and which stipulates that Bondholder consent will not be required, including, but not limited provisions permitting changes in the method of determining or establishing rates of interest, premiums payable upon redemption, serial maturities or sinking fund payments;

(i) As provided for under “Additional Subordinate Bonds and Other Indebtedness—Released Revenues; or

(j) To modify in any respect any of the provisions of the Subordinate Bond Resolution, provided that such modifications have no material adverse effect as to any Subordinate Bond or Subordinate Bonds which are then Outstanding.

Supplements with Consent. With the consent of the holders of not less than 66-2/3% in aggregate principal amount of the Subordinate Bonds at the time Outstanding the Authority may from time to time and at any time adopt resolutions supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Subordinate Bond Resolution or of any Supplemental Resolution; provided, however, that no such Supplemental Resolution may (a) extend the fixed maturity of the Subordinate Bonds (except pursuant to refunding as expressly permitted under the Subordinate Bond Resolution) or reduce the rate of interest thereon or extend the time of payment of interest, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the holder of each bond so affected (except to the extent permitted under clause (h) under “– Supplements Without Holder Consent”), or (b) reduce the aforesaid percentage of holders of Subordinate Bonds required to approve any such Supplemental Resolution or (c) permit the creation of any lien on the pledged properties prior to or on a parity with the lien of the Subordinate Bond Resolution, or deprive the holders of the Subordinate Bonds of the lien created by the Subordinate Bond Resolution upon said properties, (d) give to any Subordinate Bond or Subordinate Bonds any preference over any other Subordinate Bond or Subordinate Bonds secured hereby, (e) permit the creation of a mortgage or lien upon the properties constituting a part of the Airport System, (f) rescind or diminish the rights of any Bondholder to receive payment of principal of and/or interest on Subordinate Bonds on or after their respective due dates or to institute suit for the enforcement of such payment, or (g) otherwise have an adverse effect on Subordinate Bonds or the security therefor, without the consent of the holders of all the Subordinate Bonds then Outstanding affected thereby.

Defeasance

The Subordinate Bond Resolution will cease, determine and become null and void if the Authority pays and discharges the entire indebtedness of all Subordinate Bonds Outstanding under the Subordinate Bond Resolution in one or more of the following ways:

(a) by paying or causing to be paid the principal of, and redemption premiums, if any, and interest on Subordinate Bonds Outstanding under the Subordinate Bond Resolution, as and when the same become due and payable;

(b) by delivering to the Registrar, for cancellation by it, Subordinate Bonds Outstanding under the Subordinate Bond Resolution;

(c) by irrevocably depositing with the Paying Agent for such Subordinate Bond or an escrow agent appointed by the Authority, in trust, and irrevocably appropriating and setting aside exclusively for such payment, either (1) moneys sufficient to make such payment or (2) Governmental 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, or (3) a combination of both such moneys and such Governmental Obligations, whichever the Authority deems to be in its best interest, and all necessary and proper fees, compensation and expenses of the Trustee, Registrar and Paying Agent pertaining to the Subordinate Bond with respect to which such deposit is made has been paid or the payment thereof provided for the satisfaction of the Trustee, Registrar and Paying Agent.

Upon the deposit with the Paying Agent, in trust, at or before maturity, of money or Government Obligations, if such Subordinate Bonds are to be redeemed prior to the maturity thereof notice of such redemption has been given, or provisions satisfactory to the Paying Agent has been made for the giving of such notice, all liability of the Authority in respect of such Subordinate Bonds is completely discharged and the holders thereof will thereafter be entitled only to the payment out of the money deposited with the Paying Agent for their payment.

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APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE EXISTING SIGNATORY AIRLINE USE AND LEASE AGREEMENT

The Metropolitan Nashville Airport Authority (the "Authority") and the several Signatory Airlines, as described in the front part of this Official Statement, entered into Signatory Airline Use and Lease Agreement (each, a "Signatory Airline Agreement" and together the "Signatory Airline Agreements") delineating the operational and financial relationship at the Airport between the Authority and the Signatory Airlines. The Signatory Airline Agreements became effective as of July 1, 2015 and are scheduled to expire on June 30, 2023. The Signatory Airline Agreements between the Authority and all Signatory Airlines are substantially the same, differing primarily with respect to the amount and type of rental space for each Signatory Airline.

Set forth below is a summary of certain provisions of the Signatory Airline Agreement. This summary does not purport to be complete or definitive and is qualified in its entirety by the applicable provisions of the Signatory Airline Agreements, copies of which are available from the Authority. The headings or titles in this Appendix E are solely for convenience of reference.

DEFINITIONS

"*AAAC*" means the Signatory Airline Airport Affairs Committee established by the Signatory Airlines operating at the Airport.

"*Affiliate*" means an Air Carrier providing air service at the Airport that (i)(a) is a parent or subsidiary, or a subsidiary of the parent company, of Signatory Airline, or is under the same parental control as Signatory Airline, or (b) otherwise operates under essentially the same trade name as Signatory Airline at the Airport and uses essentially the same livery as Signatory Airline at the Airport, and (ii) is properly designated as an Affiliate by Signatory Airline.

"*Air Carrier*" means a carrier certificated by the Secretary of Transportation as a Passenger Carrier under 49 U.S.C. § 41102 or a Cargo Carrier under 49 U.S.C. § 41103.

"*Airfield*" means the runways, taxiways, taxi lanes, and apron areas (other than the Terminal Ramp Area and other designated apron areas), navigational aids, hazard designation and warning devices, airfield security roads and fencing, blast fencing, lighting, clear zones and safety areas for landing, taking off and taxiing of aircraft, avigation easements, land utilized in connection therewith or acquired for such purpose, and facilities, the acquisition, construction or installation cost of which is wholly or partially paid by the Authority.

"*Airport*" means the realty and improvements generally known and designated as the "Nashville International Airport," generally consisting of runways, aircraft taxiways and parking aprons, passenger and freight terminal buildings, hangars, vehicle roadways and parking facilities, and all other improvements on such realty, as well as any adjacent or nearby realty acquired for purposes of the Airport by the Authority and all improvements constructed on such realty.

"*Airport Facilities Investment Fund*" means the account consisting of two sub-accounts, an Signatory Airline facilities investment account and Authority facilities investment account, for the purpose of providing annual equity investment in Capital Improvement Projects at the Airport.

"*Airport System*" means the system of airports owned and operated by the Authority and consisting of the Airport and the John C. Tune Airport.

"*Baggage Claim Areas*" means the space in the Terminal excluding the FIS Area to be used jointly with other Signatory Airlines for the delivery of inbound baggage to arriving passengers.

"*Baggage Claim Equipment*" means equipment owned, operated and maintained by the Authority that delivers inbound baggage to arriving passengers.

"*Baggage Fees*" means the fees associated with the Baggage Claim Areas, Baggage Claim Equipment and Baggage Make-up Equipment, as further specified under "CALCULATION OF RATES AND CHARGES - Calculation of Baggage Fees" herein.

"*Baggage Make-up Areas*" means the areas in the Terminal where outbound baggage is sorted for delivery to departing aircraft and made available to Signatory Airlines on a preferential use basis.

"*Baggage Make-up Equipment*" means the equipment owned, operated and maintained by the Authority that delivers outbound baggage from Ticket Counters to baggage make-up devices.

"*Capital Costs*" means all capital costs of the Airport, including debt service (net of PFCs used to pay debt service) allocable to revenue bond-funded Capital Improvement Projects; and deposits to the Airport Facilities Investment Fund allocable to cash-funded Capital Improvement Projects.

"*Capital Improvement Project*" means an addition or improvement to the Airport.

"Cargo Carrier" means a carrier certificated by the. Secretary of Transportation as a Cargo Carrier under 49 U.S.C. § 41103.

"*Chair of the AAAC*" means the representative of the Signatory Airlines designated as such by the members of the AAAC.

"*Deplaned Passengers*" means passengers (including non-revenue passengers) disembarking from a domestic or international flight at the Terminal, but does not include the flight crew.

"*Effective Date*" means July 1, 2015 for Southwest Airlines, American Airlines, United Airlines, and Delta Airlines. It means September 23, 2015 for Alaska Airlines.

"*Enplaned Passengers*" means passengers (including non-revenue passengers) embarking on a domestic flight or international flight at the Airport, but does not include the flight crew.

"*Enplanements*" means passengers boarding an aircraft at the Airport, including revenue, non-revenue, scheduled, or diverted passengers.

"*Environmental Law*" means any federal, state or local law, regulation, ordinance, permit or order (including without limitation any Airport regulation or rule or any final order of any court of competent jurisdiction) relating to the environment, now or hereafter in effect.

"*Excluded Environmental Claims*" means any claims, causes of action, demands, liabilities, fines, penalties, costs, expenses or any other liabilities that. Signatory Airline can demonstrate were caused by or arise from (a) the migration of Hazardous Substances first Released prior to Signatory Airline's first occupancy or use of Signatory Airline's Premises, provided, however, that Signatory Airline, its officers, agents, employees, contractors, subcontractors, permittees or invitees are not otherwise responsible for the Release; (b) the migration of Hazardous Substances first Released outside Signatory Airline's Premises or onto or under an Signatory Airline's Premises due to leaching or the flow of groundwater, provided, however, that Signatory Airline, its officers, agents, employees, contractors, subcontractors, permittees or invitees are not otherwise responsible for the first Release outside Signatory Airline's Premises; (c) any Hazardous Substances that existed on Signatory Airline's Premises prior to Signatory Airline's first occupancy or use of Signatory Airline's Premises, provided, however that the actions or omissions of Signatory Airline, its officers, agents, employees, contractors, subcontractors, permittees or invitees do not cause or exacerbate a Release or threat of Release of such Hazardous Substances; and (d) any Hazardous Substances Released by the Authority or its officers, agents, employees, contractors, subcontractors, permittees or invitees, or by any third party not under the control or direction of Signatory Airline, on Signatory Airline's Premises, provided, however that the actions or omissions of Signatory Airline, its officers, agents, employees, contractors, subcontractors, permittees or invitees do not cause or exacerbate a Release or threat of Release of such Hazardous Substances.

"*Exclusive Premises*" means any office space, storage area, VIP Lounge, employee break room, baggage service office, or other areas of the Terminal designated for the exclusive use by Signatory Airline.

"*Exclusive Services*" means any service provided to a Signatory Airline that is not provided to other Signatory Airlines.

"*Expiration Date*" means June 30, 2023.

"*FAA*" means the Federal Aviation Administration or successor agency.

"*FIS*" means the Federal Inspection Services Facility which include those areas, together with the fixtures and equipment located therein, used by various agencies of the United States Government for the inspection and processing of arriving international passengers.

"*Fiscal Year*" means a year beginning July 1 and ending June 30.

"*Gate*" means those portions of the Terminal individually comprised of a passenger loading bridge, if any, a passenger hold room and associated portion of the Terminal Ramp Area.

"*Hazardous Substances*" means any substance or material (including liquids, solids and gases) defined or designated as a hazardous waste, toxic substance, or other pollutant or contaminant by any Environmental Law.

"*In-Terminal Concession Revenue Share*" means the percentage of revenues from concessions inside the Terminal that are shared with Signatory Airlines as described under "CALCULATION OF RATES AND CHARGES – Revenue Sharing Credits" below.

"*International Arrivals Building*" or "*IAB*" means the federal inspection services facility located in the Terminal.

"*Joint Use Premises*" means the Baggage Claim Area and Baggage Claim and Baggage Make-up Equipment in the Terminal which are leased for joint use to a Signatory Airline and one or more other Air Carriers.

"*Landing Fees*" means the fees described under "CALCULATION OF RATES AND CHARGES – Calculation of the Landing Fee" below.

"*Majority-in-Interest*" means Signatory Airlines that account for more than 50% in number of the Signatory Airlines and that also account for more than 75% of the Landing Fees paid by all Signatory Airlines, including Affiliates, at the Airport during the immediately preceding 12-month period.

"*Maximum Gross Landed Weight*" means the maximum landing weight at which each aircraft operated by Signatory Airline is certificated by the FAA.

"*Net Revenues*" means the amount of Airport System revenue remaining after the payment of all Airport System costs and expenses.

"*Non-Signatory Airline Airfield Revenues*" means all revenues generated from use of or allocable to the Airfield other than Landing Fees.

"*Non-Signatory Airline*" means any Air Carrier that is not a Signatory Airline.

"*Operations and Maintenance Expenses*" or "*O&M Expenses*" means operations and maintenance expenses of the Airport System.

"*Operations and Maintenance Reserve Fund*" or "*O&M Reserve Fund*" means a reserve fund established and maintained by the Authority to be used by the Authority only in accordance with any applicable bond resolution, equal to two months of the estimated O&M Expenses for Fiscal Year 2021 and initially funded from Net Revenues in five equal annual installments beginning in Fiscal Year 2016.

"*O&M Reserve Fund Replenishment Costs*" means the amount required to replenish any funds estimated to be expended during the next Fiscal Year from the O&M Reserve Fund.

"*Passenger Carrier*" means an air carrier certificated by the Secretary of Transportation under 49 U.S.C. § 41102.

"*Passenger Loading Bridge*" means a passenger loading bridge and related equipment owned and maintained by the Authority.

"*Passenger Facility Charges*" or "*PFCs*" means charges authorized by 49 U.S.C. § 40117 and applicable implementing regulations adopted by the FAA, as they may be amended from time to time.

"*Preferential Use*" of a Gate means scheduling preference, over similar operations by another Scheduled Signatory Airline, given to a Signatory Airline for the use of a Gate during applicable Periods of Use for its Scheduled Operations.

"*Preferential Use Gate*" means a Gate assigned by the Authority for Preferential Use by a Signatory Airline.

"*Preferential Use Baggage Make-up Areas*" means a Baggage Make-up Area assigned by the Authority as Preferential Use Premises to a Signatory Airline.

"*Preferential Use Premises*" means those areas designated that are within the Terminal, including Preferential Use Gates, Preferential Use Ticket Counters and Preferential Use Baggage Make-up Areas and to which Signatory Airline has a higher priority of use over all other Air Carriers.

"*Preferential Use Ticket Counter*" means a Ticket Counter assigned by the Authority as Preferential Use Premises to a Signatory Airline.

"*Premises*" means any: (a) Exclusive Premises, (b) Preferential Use Premises; (c) Joint Use Premises; and (d) unleased premises; provided, however, that in the case of unleased premises, such areas will only constitute "Premises" during the period of time for which a Signatory Airline has the right to use such areas.

"*President and CEO*" means the President and Chief Executive Officer of the Authority or his/her designee.

"*Prior Signatory Airline Agreements*" means any use or lease agreement between the Authority and Signatory Airline for the use of the Airfield or Terminal executed prior to the Effective Date.

"*Project Costs*" means the total cost to construct, complete or acquire a Capital Improvement Project or series of Capital Improvement Projects.

"*Public Areas*" means sidewalks, corridors, lobbies, passageways, restrooms, elevators, escalators and other similar space made available by the Authority from time to time for use by passengers, Authority and Signatory Airline employees and other members of the public.

"*Release*" means any spilling, leaking, pumping, pouring, emitting, discharging, leaching, dumping or disposing into or on any property or the environment.

"*Reliever Airport Support Costs*" means the costs of supporting John C. Tune Airport. Reliever Airport Support Costs shall be $400,000 for Fiscal Year 2016 and shall increase each subsequent Fiscal Year as follows: Fiscal Year 2017 - $410,000; Fiscal Year 2018 - $420,000; Fiscal Year 2019 - $431,000; Fiscal Year 2020 - $442,000; Fiscal Year 2021 - $453,000; Fiscal Year 2022 - $464,000; and Fiscal Year 2023 - $487,000.

"*Renewal and Replacement Fund*" or "*R&R Fund*" means a reserve fund established by the Authority to pay for the renewal or replacement of any Airport assets, to be used by the Authority only in accordance with any applicable bond resolution, up to an aggregate amount of $5,000,000 and funded through five annual transfers from Net Revenues of $1,000,000 beginning in Fiscal Year 2016.

"*R&R Fund Replenishment Costs*" means the amount required to replenish any funds that the Authority estimates it will expend from the R&R Fund during the next Fiscal Year.

"*Rentable Space*" means any areas in the Terminal that are available for lease on an exclusive, preferential or joint use basis, as designated by the President and CEO.

"*Security Checkpoint Area*" means an area used for passenger security screening and associated queuing space as designated by the President and CEO.

"*Signatory Airline*" means (i) any Passenger Carrier that has entered into an agreement with the Authority substantially similar to the Signatory Airline Agreement and has accepted the assignment of at least one Preferential Use Gate, one Preferential Use Ticket Counter and ticketing office or operations space; or (ii) any Cargo Carrier that has entered into an agreement with the Authority substantially similar to the Signatory Airline Agreement and is leasing at least one cargo bay from the Authority.

"*Term*" means the Effective Date through the Expiration Date.

"*Terminal*" means Gates, Ticket Counters, Baggage Claim Areas, Baggage Make-up Areas, Security Checkpoint Areas, office space, storage areas, concourses, lobbies, VIP Lounges, the IAB, employee break rooms and Public Areas located within the "drip-line" of the passenger terminal building at the Airport. For purposes of this definition, the "drip-line" means the footprint (improved or unimproved) inside the outer limits of the passenger terminal building, which in all cases should not extend beyond the roof-drip line.

"*Terminal Ramp Area*" means the paved areas adjacent to the Terminal used by Passenger Carriers for parking of aircraft and ground service equipment.

"*Terminal Rental Rate*" means the rate charged per square foot for use of space in the Terminal, as described under "CALCULATION OF RATES AND CHARGES – Calculation of the Terminal Rental Rate" below.

"*Terminal Rents*" means the rents charged by the Authority for a Signatory Airline's use of the Terminal, as described under "CALCULATION OF RATES AND CHARGES – Calculation of the Terminal Rental Rate" below.

"*Ticket Counter*" means those areas made available by the Authority for use by a Signatory Airline for ticketing passengers and similar activities, including ticketing kiosk space, but excluding curbside check-impositions.

"*Unforeseen Terminal Expenses*" means costs attributable to the Terminal that the Authority could not have reasonably foreseen on the Effective Date associated with (i) new government mandates or government regulations to the extent such costs are over $500,000 annually or (ii) repair or replacement of property in the Terminal damaged or destroyed by fire or other casualty to the extent such costs have not been reimbursed or covered by any insurance recovery.

"*Unimproved Space*" means unenclosed space within the Terminal that is neither heated nor air-conditioned.

"*VIP Lounge*" means those Exclusive Premises used by Signatory Airline to provide premium services to its passengers.

TERM AND USE OF AIRPORT

The term of each Signatory Airline Agreement runs from its Effective Date through the Expiration Date of June 30, 2023. The Signatory Airline Agreements may be terminated under certain specified conditions.

A Signatory Airline may engage in various specified activities related to its air transportation business, as more specifically described in the Signatory Airline Agreement.

Subject to the terms of the Signatory Airline Agreement, the Authority grants to each Signatory Airline certain rights of occupancy and use in certain areas located within the Airport, including the Airfield, Public Areas and the Premises, for the Exclusive Premises, Preferential Use Premises and the Joint Use Premises, all as set forth and subject to the provisions of the Signatory Airline Agreement. The Signatory Airline Agreement also provides for the designation of Affiliates by Signatory Airlines and sets forth the process related to such designation, use of the Airport and termination with respect to Affiliate status at the Airport.

The Signatory Airline Agreements specify the terms and conditions for the use of leased gates, all of which within the Terminal are for Preferential Use in accordance with the terms of the Signatory Airline

Agreement. The Signatory Airline Agreements also provide for the recapture of underutilized Preferential Use gates. Additionally, the Signatory Airline Agreements also allowed Signatory Airlines to reduce their Premises during the period of July 1, 2015 through September 30, 2017.

The Signatory Airline Agreements also provide a process for allocating and reallocating space within the Terminal from an Air Carrier seeking to initiate or expand operations at the Airport.

CAPITAL IMPROVEMENTS

Majority-in-Interest Approval for Projects in the Airfield

New Capital Improvement Projects. For each new Capital Improvement Project in the Airfield that the Authority seeks to fund through Signatory Airline rates and charges and that is not exempt from Majority-in-Interest approval under the Signatory Airline Agreement, the Authority shall obtain approval from Signatory Airlines representing a Majority-in-Interest. A Capital Improvement Project in the Airfield shall only be deemed to be approved by a Majority-in-Interest when Signatory Airlines representing a Majority-in- Interest have provided their written approval of the Capital Improvement Project to the Authority.

Absent such approval by a Majority-in-Interest of the Signatory Airlines, the Authority may proceed with the Capital Improvement Project only if the Authority confirms in writing to all Signatory Airlines that the Authority will not fund the Capital Improvement Project in any way through rates and charges to be paid by Signatory Airlines.

Capital Improvement Projects outside of the Airfield are not subject to Majority-in-Interest approval.

Cost Increases in Approved Projects. The Authority shall be required to obtain Majority-in-Interest approval in the event that (a) the estimated Capital Costs of any Majority-in-Interest approved Capital Improvement Project increases by the greater of 20% or $100,000 of the Authority's share (net of PFCs and federal and state grants) of Capital Costs; and (b) the increased costs will be funded through rates and charges to be paid by Signatory Airlines.

Exemptions from Majority-in-Interest Approval. The following are exempt from Majority-in-Interest approval requirements: Capital Improvement Projects not funded through rates and charges paid by Signatory Airlines; Capital Improvement Projects previously approved by a Majority-in-Interest under Prior Signatory Airline Agreements or the Signatory Airline Agreement; Capital Improvement Projects with Capital Costs of less than $50,000 of the Authority's share (net of PFCs and federal and state grants) of Capital Costs; Capital Improvement Projects required by a government agency with jurisdiction over the Airport; Capital Improvement Projects of an emergency nature, which, if not made, would substantially impair the current operation of the Airport; Capital Improvement Projects requested, funded, and paid for by an Air Carrier; or Capital Improvement Projects made to satisfy judgments, comply with judicial or administrative orders, or comply with consent decrees against the Authority arising from or relating to its design, construction, ownership, maintenance or use of the Airport, provided that the Authority shall consult with Signatory Airline prior to making the determination to undertake such a Capital Improvement Project.

Other Capital Improvement Projects

The Authority shall, during the Term, undertake Capital Improvement Projects in the Terminal for various purposes including, but not limited to, extending the useful life of the Terminal, improving the functional and aesthetic elements of the Terminal, and enhancing the Terminal user experience. The total

Project Costs of such Capital Improvement Projects in the Terminal shall be equal to or greater than $150,312,000. These Capital Improvement Projects shall not be funded through rates and charges to be paid by Signatory Airlines.

The Authority shall, during the Term, undertake Capital Improvement Projects in areas of the Airport other than the Terminal or Airfield for various purposes including, but not limited to, improving operational, functional, environmental and aesthetic elements of the Airport. The total Project Costs of such Capital Improvement Projects in other areas of the Airport shall be equal to or greater than $100,000,000. These Capital Improvement Projects shall not be funded through rates and charges to be paid by Signatory Airlines.

CALCULATION OF RATES AND CHARGES

Generally

The fees and rents to be charged by the Authority and paid by each Signatory Airline for its use of the Airport from the Effective Date until the expiration or earlier termination of the Signatory Airline Agreement shall be calculated using the rate-setting methods set forth below. In calculating the revenue requirements used to derive such rates and charges, the Authority shall exclude any cost (net of the cost of collection) that (a) has been reimbursed or covered by government grants or PFCs, (b) has been reimbursed or covered by any insurance recovery, condemnation proceeds or other third-party payment, or (c) has been reimbursed or is required to be reimbursed to the Authority by an individual Signatory Airline in connection with projects undertaken by the Authority at the request and for the benefit of an individual Signatory Airline.

Signatory Airline Consultations on Proposed Rates and Charges. The Authority shall consult with the AAAC concerning proposed rates and charges on an annual basis for the next succeeding year. The President and CEO may make such revisions to the proposed rates and charges as the President and CEO determines in his/her sole discretion to be warranted as a result of consultation with the AAAC or otherwise.

Calculation of the Landing Fee

Each year during the Term the Authority shall calculate the estimated Landing Fee for the following Fiscal Year as follows:

The estimated Landing Fee shall be calculated by dividing the Airfield Requirement by the estimated total Maximum Gross Landed Weight (“MGLW”) in thousand pound units of Signatory Airlines for the following Fiscal Year. The Airfield Requirement shall be computed as the sum of the following budgeted items: O&M Expenses allocable to the Airfield; plus Capital Costs allocable to the Airfield; plus the Reliever Airport Contribution; plus 50% of O&M Reserve Fund Replenishment Costs; plus 50% of R&R Fund Replenishment Costs; minus Non-Signatory Airline Airfield Revenues; minus Landing Fees from Non-Signatory Airlines.

Calculation of the Terminal Rental Rate

Each year the Authority shall calculate the Terminal Rental Rate for the following Fiscal Year as the sum of the following items: the Base Terminal Rental Rate for that Fiscal Year; plus Unforeseen Terminal Expenses divided by Rentable Space. The Base Terminal Rental Rate shall be as follows:

Fiscal Year 2016	$90.00 per square foot
Fiscal Year 2017	$90.00 per square foot
Fiscal Year 2018	$100.55 per square foot
Fiscal Year 2019	$103.07 per square foot
Fiscal Year 2020	$105.65 per square foot
Fiscal Year 2021	$108.29 per square foot
Fiscal Year 2022	$111.00 per square foot
Fiscal Year 2023	$116.55 per square foot

If the Authority anticipates that Unforeseen Terminal Expenses will be included in the calculation of the Terminal Rental Rate for any Fiscal Year, the Authority shall, as soon as practical, give notice to of such previously Unforeseen Terminal Expenses to all Signatory Airlines and consult with the Signatory Airlines about the impact of such Unforeseen Terminal Expenses on the Terminal Rental Rate, the Authority's plans for finance such Unforeseen Terminal Expenses and efforts the Authority intends to undertake to reduce such Unforeseen Terminal Expenses, and the Authority shall give due consideration to any comments or suggestions offered by the Signatory Airlines during such consultations. For Unforeseen Expenses related to government mandates or regulations, Signatory Airlines are only responsible to the extent the costs exceed $500,000 annually.

Calculation of the Terminal Ramp Area Rate

Each year the Authority shall calculate the estimated Terminal Ramp Area Rate for the next Fiscal Year as follows: The Terminal Ramp Area Requirement shall be computed as the sum of: budgeted O&M Expenses allocable to the Terminal Ramp Area, plus Capital Costs allocable to the Terminal Ramp Area. The estimated Terminal Ramp Area Rate shall then be calculated by dividing the Terminal Ramp Area Requirement by the total square footage of the Terminal Ramp Area.

Calculation of Baggage Fees

Each year the Authority shall calculate the estimated Baggage Fees for the next Fiscal Year as follows: The estimated Baggage Fee Requirement shall be computed as the sum of the following budgeted items: the product of (i) the Terminal Rental Rate and (ii) the total square footage of the Baggage Claim Areas; plus O&M Expenses and Capital Costs allocable to Baggage Claim Equipment and Baggage Make-up Equipment; minus Baggage Fees paid by Non-Signatory Airlines.

Charges for the use of Baggage Claim Equipment, Baggage Make-up Equipment and the Baggage Claim Area shall be calculated by allocating 20% of the Baggage Fee Requirement equally among all Signatory Airlines with scheduled service, and allocating 80% of the Baggage Fee Requirement among the Signatory Airlines on the basis of their proportionate numbers of Deplaned Passengers during the Fiscal Year. If, in the future, international activity is conducted in a separate facility and does not utilize the Joint Use facility, then such activity shall be captured in a separate cost center.

Calculation of Passenger Loading Bridge Fees

Each year the Authority shall calculate the estimated Passenger Loading Bridge Fee for the next Fiscal Year as follows: The Passenger Loading Bridge Requirement shall be computed as the sum of budgeted O&M Expenses and Capital Costs allocable to Passenger Loading Bridges.

The estimated Passenger Loading Bridge Fee shall then be calculated by dividing the Passenger Loading Bridge Requirement by the total number of Passenger Loading Bridges.

Unimproved Space Rental Rate

The Rental Rate for Unimproved Space shall be as follows:

Fiscal Year 2016	$2.00 per square foot
Fiscal Year 2017	$2.00 per square foot
Fiscal Year 2018	$4.00 per square foot
Fiscal Year 2019	$4.00 per square foot
Fiscal Year 2020	$4.00 per square foot
Fiscal Year 2021	$4.00 per square foot
Fiscal Year 2022	$4.00 per square foot
Fiscal Year 2023	$4.00 per square foot

Other Charges

If a Signatory Airline requests use of Airport facilities, Exclusive Services, or any other services, the Authority shall invoice such Signatory Airline for any such charges. Each year the Authority shall publish a list of other charges to be paid for the use of facilities at the Airport, Exclusive Services, and other charges.

Revenue Sharing Credits

Each year during the Term the Authority shall calculate Concession Revenue Share credits for Signatory Airlines that are Passenger Carriers. The Concession Revenue Share shall be calculated and credited to the Signatory Airlines as the sum of the following items divided by the estimated total Enplaned Passengers for all Signatory Airlines to yield the Concession Revenue Share per Enplaned Passenger for each Signatory Airline: the budgeted In-Terminal Concession Revenue Share, which shall be 70% for Fiscal Year 2016, 60% for Fiscal Year 2017 and 50% for Fiscal Year 2018 and subsequent.

Monthly, after receiving the Signatory Airline Activity Report, the Authority will provide a credit to each Signatory Airline equal to such Signatory Airline's reported Enplanements multiplied by the Concession Revenue Share per Signatory Airline Enplanement.

Non-Signatory Premium

Non-Signatory Airlines pay a 25% premium on all rates and charges and do not receive any Concession Revenue Share credits.

Mid-year Adjustments

If it appears to the Authority on the basis of information it is able to accumulate during the course of any Fiscal Year that the budgeted Capital Costs or O&M Expenses or projected levels of Signatory Airline activity it has used to calculate the rates and charges are likely to vary significantly (higher or lower) from actual results, the Authority may, using current estimates and projections, recalculate the rates and charges in accordance with the Signatory Airline Agreement at mid-year or at such other time during the Fiscal Year (a) as the need for such an adjustment becomes apparent to the Authority and (b) when the variance between the budgeted revenues from the Signatory Airlines and estimated actual results is expected to be 10% or more. The Authority shall provide the AAAC with at least (30) days written notice ("Mid-Year Adjustment Notice") of any adjustments to be made, and the AAAC and the Authority may meet to discuss same upon request of the AAAC.

Annual Adjustments-to-Actual

Landing Fee. Within 60 days after completion of the audit for the preceding Fiscal Year, the Authority shall recalculate the Landing Fee on the basis of actual Capital Costs and O&M Expenses and MGLW and shall determine the amount of any overpayment (credit) or underpayment (debit) due to or from Signatory Airline.

Revenue Sharing Credit. Within 60 days after completion of the audit for the preceding Fiscal Year which audit Authority shall endeavor to have completed within 120 days of the end of such Fiscal Year, the Authority shall recalculate Revenue Sharing Credits on the basis of actual In-Terminal Concession Revenue, and actual Enplaned Passengers, and shall determine the amount of any overpayment (credit) or underpayment (debit) due to or from Signatory Airline.

Combined Adjustments. For each Signatory Airline, the Authority shall combine the credits or debits calculated in accordance with the Signatory Airline Agreement and any resulting credit (on a combined basis) will be issued to the Signatory Airlines, and any resulting debit (on a combined basis) will be invoiced to and payable by the Signatory Airlines within 30 days; provided, however, that any resulting credit cannot be used in any given month to offset more than 50% of any amount otherwise due to the Authority.

PAYMENTS

Payment of Landing Fees and Terminal Rents

The Signatory Airlines shall pay to the Authority on a monthly basis the Terminal Rents, Landing Fees and other fees established by the Authority in accordance with the Signatory Airline Agreements.

Passenger Facility Charges

The Authority expressly reserved the right, under the Signatory Airline Agreement, to impose passenger facility charges ("PFCs") in accordance with 49 U. S.C. § 40117 and applicable implementing regulations adopted by the FAA, 14 CFR Pt. 158, as they may be amended from time to time (the "PFC Regulations"). The net principal amount of all PFCs that are collected by the Signatory Airlines or their respective agents on behalf of the Authority pursuant to 49 U.S.C. § 40117 and the PFC Regulations are to be held in trust for the Authority.

DEVELOPMENT, MAINTENANCE AND REPAIR OF AIRPORT

Subject to the terms of the Signatory Airline Agreement, the Authority shall have the right at all times to change, alter, expand or contract the Airport. The Signatory Airline Agreements provide for the maintenance and repair obligations as between the Authority and the several Signatory Airlines with respect to the Premises.

Damage or Destruction

Damage. If any portion of the Terminal in which a Signatory Airline occupies Premises under the Signatory Airline Agreements is damaged by fire, earthquake or other casualty, but is not rendered unfit for use by a Signatory Airline, the damage shall be repaired by the Authority, as soon as is practicable under the circumstances. If the damage renders the Premises unfit for use by the respective Signatory Airline, and if the damage is repairable using reasonable diligence within four months from the date of the occurrence, the Premises shall be repaired by the Authority.

Destruction. If any portion of the Terminal in which a Signatory Airline occupies Premises is completely destroyed by fire, earthquake or other casualty, or damaged to such extent that such damage cannot be repaired within four months from the date of the occurrence, the Authority or such Signatory Airline shall have the option to terminate the related Signatory Airline Agreement to the extent that it shall apply to the destroyed Premises. In addition, the Authority shall within 30 days of a fire, earthquake or other casualty, provide written notice to the affected Signatory Airline that it intends to (i) terminate the related Signatory Airline Agreement or (ii) repair or reconstruct the affected Premises. If the Authority elects to repair or reconstruct the affected Premises, it shall begin any work necessary to do so and shall use reasonable efforts to provide the related Signatory Airline with temporary substitute space while the repairs are being completed if such Signatory Airline does not elect to terminate the related Signatory Airline Agreement to the extent that it shall apply to the destroyed Premises. If a party elects to terminate a Signatory Airline Agreement, such termination shall be effective as to the affected Premises, 60 days after the occurrence of the damage. Without limiting the foregoing, if the Authority terminates a Signatory Airline Agreement to the extent that it shall apply to the destroyed Premises, the Authority shall use reasonable efforts to provide the affected Signatory Airline with substitute space for the remaining Term if requested by such Signatory Airline.

Rent Abatement. For the period from the occurrence of any damage to the affected Premises to the date of completion of the repairs to such Premises (or to the date of termination of the affected Signatory Airline Agreement as to such portions of the affected Premises if the Authority shall elect not to restore them), the rental allocable to the particular Premises involved shall be abated in the same proportion as the unusable portion of such Premises bears to the whole, or, if the damage or destruction has rendered the entire affected Premises unusable, said rental shall be abated entirely, and upon termination of the affected Signatory Airline Agreement as to such damaged or destroyed Premises, such Signatory Airline shall have no further obligation to pay the rental allocable thereto. The costs assigned to such unusable space may be recovered by the Authority as an Unforeseen Terminal Expense pursuant to the Signatory Airline Agreement. In the event that the Authority shall elect to terminate the affected Signatory Airline Agreement as to the portion of the Premises damaged or destroyed as provided above, and in the event the loss of use thereof by the affected Signatory Airline will have a substantial adverse effect on such Signatory Airline's use of the remainder of its Premises and its business and operations at the Airport in the opinion of such Signatory Airline, such Signatory Airline may, within 30 days after receipt of the Authority's notice of termination, terminate the related Signatory Airline Agreement in its entirety by giving the Authority written notice thereof.

INDEMNIFICATION AND INSURANCE

Indemnification

The Signatory Airline Agreement sets forth the obligation of the several Signatory Airlines to indemnify the Authority upon certain specified conditions and events, which obligations survive the expiration, termination, or early cancellation of the Signatory Airline Agreement.

Insurance

The Signatory Airlines are required to maintain insurance to specified minimum limits and with financially sound insurance companies insuring against all liability, subject to policy terms, conditions and exclusions, for injuries to persons (including wrongful death) and damages to property and any other liability arising from or caused by the use and occupancy of the Airport or otherwise arising from or caused by the respective Signatory Airline's activities and operations on said Airport premises, including with respect to comprehensive Signatory Airline liability insurance, automobile liability insurance and, if necessary, commercial umbrella liability insurance, pollution liability insurance coverage, workers' compensation and employer's liability insurance, as further specified in the Signatory Airline Agreement.

ASSIGNMENT AND SUBLETTING

The Signatory Airlines may not assign or transfer the Signatory Airline Agreement or any interest therein nor sublet the whole or any portion of the Premises without first obtaining the Authority's written consent, nor shall the Signatory Airline Agreement or any interest thereunder be assignable or transferable by operation of law or by any process or proceeding of any court, or otherwise without the consent of the Authority first had and obtained, which consent shall not be unreasonably withheld. The foregoing applies to certain specified change of control transactions of more than one-half of a Signatory Airline's stock.

TERMINATION

Signatory Airline Defaults

The occurrence of any one or more of the following events shall constitute a breach of the Signatory Airline Agreement and an "Event of Default" under the Signatory Airline Agreement:

(a) Failure to duly and timely to pay any Landing Fees, Terminal Rent or any other rate or charge due under the Signatory Airline Agreement, when due to Authority, and such failure shall continue for five days beyond a Signatory Airline's receipt of a written notice of such breach or default. Notwithstanding the foregoing, in the event there occur two defaults in the payment of Landing Fees, Terminal Rent or other rate or charge due under the Signatory Airline Agreement in any twelve month period, thereafter a Signatory Airline shall not be entitled to, and Authority shall have no obligation to give, notice of any further payment defaults. In such event, there shall be deemed to occur an "Event of Default" immediately upon Signatory Airline's failure timely to pay Landing Fees, Terminal Rent or other payment due under the Signatory Airline Agreement.

(b) A Signatory Airline shall fail duly and timely to remit to the Authority PFCs collected by such Signatory Airline.

(c) A Signatory Airline shall become insolvent, take the benefit of any present or future insolvency statute, make a general assignment for the benefit of creditors, file a voluntary petition in bankruptcy or a petition or answer seeking an arrangement for its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws, or under any other law or statute of the United States or of any state, or consent to the appointment of a receiver, trustee, or liquidator of any or substantially all of its property, or petition under any part of the federal bankruptcy laws, or an action under any present or future insolvency law or statute shall be filed against Signatory Airline and shall not be dismissed within 90 days after the filing thereof.

(d) There shall occur a transfer of the Signatory Airline Agreement without the prior approval of the Authority.

(e) A Signatory Airline shall abandon, desert, or vacate the Premises.

(f) Any lien shall be filed against the Premises as a result of an act or omission of Signatory Airline, and shall not be discharged within 60 days after receipt of notice by Signatory Airline.

(g) A Signatory Airline shall fail to obtain and maintain the insurance required by the Signatory Airline Agreement, or provide copies of the policies or certificates to Authority as required.

(h) A Signatory Airline shall fail to keep, perform and observe each and every other promise, covenant and agreement set forth in the Signatory Airline Agreement, and such failure shall continue for a period of more than 30 days after delivery of a written notice of such failure or if satisfaction of such obligation requires activity over a period of time, if Signatory Airline fails to commence the cure of such failure within 30 days after receipt of such notice, or thereafter fails to diligently prosecute such cure, or fails to actually cause such cure within thirty days after the giving of such notice.

Authority Remedies

General Remedies - Applicable to All Portions of the Premises. Whenever any default shall occur (other than a default with respect to insolvency, etc.) upon which termination of the Signatory Airline Agreement, at the Authority's option, shall be effective immediately without further notice, the Signatory Airline Agreement and all of Signatory Airline's rights thereunder shall terminate if the written notice of default so provides. The Authority shall be entitled to recover from Signatory Airline all unpaid rent and fees and damages incurred because of such default, including, but not limited to, reasonable attorneys' fees and costs ("Termination Damages"), together with interest on all Termination Damages at the rate of 18% per annum, or the maximum rate permitted by applicable law, whichever is lower, from the date such Termination Damages are incurred by the Authority.

In addition to Termination Damages, and notwithstanding termination, Signatory Airline's liability for all rent and fees which, but for termination of the Signatory Airline Agreement, would have become due over the remainder of the Signatory Airline Agreement ("Future Charges") shall not be extinguished and Signatory Airline agrees that the Authority shall be entitled, upon termination for default, to collect as additional damages a "Rental Deficiency," defined to mean: an amount or amounts equal to Future Charges less the amount or amounts of rental, if any, which the Authority shall receive during the remainder of the Term from others to whom the Premises may be rented, in which case such Rental Deficiency shall be computed and payable at Authority's option either: (i) in an accelerated lump sum payment or (ii) in monthly installments, in advance, on the first day of each calendar month following termination of the Signatory Airline Agreement and continuing until the date of which the Term would have expired but for such termination, and any suit or action brought to collect any portion of Rental Deficiency attributable to any particular month or months, shall not in any manner prejudice the Authority's right to collect any portion of Rental Deficiency by a similar proceeding.

Additional Remedies for Exclusive Premises. Whenever any default shall occur (other than a default relating to insolvency of the Signatory Airline) upon which termination of the Signatory Airline Agreement, at the Authority's option, shall be effective without further notice, the Signatory Airline Agreement and all of Signatory Airline's rights thereunder shall terminate if so specified. In the event such default involves space occupied by Signatory Airline on an exclusive use basis, in addition to those remedies for default set forth in the Signatory Airline Agreement, upon termination the Authority may re-enter and take exclusive possession of any such Exclusive Premises and remove all persons and property from such Exclusive Premises. The Authority shall be entitled to recover from Signatory Airline, in addition to Termination Damages, additional damages incurred because of such default, including but not limited to the costs of removing or storing any personal property from the Exclusive Premises, the cost of re-letting the Exclusive Premises and the costs of any necessary renovations or repairs and related expenses ("Additional Termination Damages"), together with interest on all Additional Termination Damages at the rate of 18% per annum, or the maximum rate permitted by applicable law, whichever is lower, from the date such Additional Termination Damages are incurred by the Authority. A Signatory Airline shall have no right to or claim upon any improvements that may have been previously installed by Signatory Airline in or on the Exclusive Premises.

If the Signatory Airline Agreement terminates as a result of a Signatory Airline's default, the Authority shall use reasonable efforts to relet the Exclusive Premises or any part thereof, alone or together with other Exclusive Premises, for such term or tetras and for such use or uses as the Authority in its sole discretion may determine. A Signatory Airline's obligations hereunder shall not be discharged by reason or failure of Authority to relet the Exclusive Premises.

Termination

The Signatory Airline Agreement may be terminated in advance of its Expiration Date in the following events:

(a) In the event that any federal, state or local government or agency or instrumentality thereof shall, by condemnation or deed or conveyance in lieu thereof, take title, possession or the right to possession of the Premises or any substantial portion of the Premises, the Authority may, at its option, terminate the Signatory Airline Agreement as of the date of such taking; or

(b) In the event that any court having jurisdiction in the matter shall render a decision which has become final and which will permanently or for a substantial period of time prevent the performance by the Authority of any of its material obligations under the Signatory Airline Agreement, then either party hereto may terminate the Signatory Airline Agreement by written notice. This right of termination shall be and remain effective whether or not the Authority, by taking affirmative action or by inaction, could have prevented the rendering of the decision or could have caused the decision to be vacated before it became final.

(c) In the event of termination of the Signatory Airline Agreement under any of the above subsections, all rights and obligations of the parties (with the exception of any undischarged rights and obligations that accrued prior to the effective date of such termination) shall terminate, and if the Signatory Airline is not in material default under any of the provisions of the Signatory Airline Agreement on the effective date of termination, any rent prepaid by Signatory Airline shall, to the extent allocable to any period subsequent to the effective date of the termination, be promptly refunded to Signatory Airline.

Authority's Right to Partial Termination

In the event the Authority determines, after consultation with the Signatory Airline, that Airport operations or a Capital Improvement Project require the use of all or a portion of Signatory Airline's Exclusive Premises, the Authority shall provide the Signatory Airline with 180 days' notice of termination of the required Exclusive Premises. If a Signatory Airline is required to move, the Authority shall relocate the Signatory Airline to Exclusive Premises that are reasonably similar to those previously occupied by the Signatory Airline, and shall pay for all reasonable costs of such relocation.

Rights Related to Termination

In the event of any termination by the Authority based on any breach by Signatory Airline of the covenants, terms and conditions contained in the Signatory Airline Agreement, all rights, powers and privileges of the Signatory Airline under the Signatory Airline Agreement shall cease, and Signatory Airline shall immediately vacate any portions of the Premises occupied by it under the Signatory Airline Agreement. A Signatory Airline shall have no claim of any kind whatsoever against the Authority by reason of such termination or by reason of any act by the Authority.

Authority Defaults

Events of default by the Authority include:

The Authority fails to keep, perform or observe any material term, covenant or condition in the Signatory Airline Agreement to be kept, performed, or observed by the Authority and such failure continues for 30 days after receipt of written notice from a Signatory Airline; or if by its nature such default cannot be cured within such 30 day period, the Authority shall not commence to cure or remove such default within said 30 days and to cure or remove the same promptly as reasonably practicable; provided, however, the Authority's performance under this subsection shall be conditioned by the force majeure provisions of the Signatory Airline Agreement.

The Airport is closed to flights in general or to the flights of the Signatory Airline, for reasons other than those circumstances within the Signatory Airline's control, and Airport fails to be reopened to such flights within 30 consecutive days from such closure.

The Airport is permanently closed as an air carrier airport by act of any Federal, state, or local government agency having competent jurisdiction; or a Signatory Airline is unable to use Airport for a period of at least 30 consecutive days due to any law or any order, rule or regulation of any governmental authority having jurisdiction over the operations of the Airport; or any court of competent jurisdiction issues an injunction preventing the Authority or the Signatory Airline from using the Airport for airport purposes, for reasons other than those circumstances within Signatory Airline's control, and such injunction remains in force for a period of at least 30 consecutive days.

The United States Government or any authorized agency of the same (by executive order or otherwise) assumes the operation, control or use of the Airport in such a manner as to substantially restrict Signatory Airline from conducting its operations, if such restriction be continued for a period of 30 consecutive days or more.

Signatory Airline Remedy

So long as a Signatory Airline is not in material default under the Signatory Airline Agreement, the Signatory Airline may cancel the Signatory Airline Agreement upon the occurrence of an Authority event of default. In such event, the Signatory Airline shall provide a 30 day advance written notice of cancellation to the Authority. All rentals, fees and charges payable by the Signatory Airline shall cease as of the date of such cancellation.

ENVIRONMENTAL PROVISIONS

The Signatory Airline Agreement requires the Signatory Airlines to conduct operations at the Airport in compliance with all applicable Environmental Laws and provides for inspections; notices; cure, investigation and remediation obligations and remedies; indemnification obligations; stormwater permitting; air quality; and termination obligations in respect of same.

MISCELLANEOUS PROVISIONS

Governing Law

The Signatory Airline Agreement shall be deemed to have been made in, and be construed in accordance with the laws of, the State of Tennessee.

Force Majeure

Neither the Authority nor a Signatory Airline shall be deemed in violation of the Signatory Airline Agreement if it is prevented from performing any of its obligations under the Signatory Airline Agreement by reason of strikes, boycotts, certain labor disputes, embargoes, shortages of material, acts of terrorism, riots, rebellion, sabotage or any other casualty which is not within its control; provided, however, that these provisions shall not excuse Signatory Airline from payment of the Landing Fees, Terminal Rents and other rates and charges as specified in the Signatory Airline Agreement.

Exclusiveness of Signatory Airline's Rights

Nothing contained in the Signatory Airline Agreement shall be deemed to grant to any Signatory Airline any exclusive right or privilege within the meaning of 49 U.S.C. § 40103(e) with respect to activity on the Airport, except that, subject to the terms and provisions of the Signatory Airline Agreement, Signatory Airline shall have the right to exclusive possession of any Exclusive Premises made available to Signatory Airline under the provisions of the Signatory Airline Agreement.

Entire Agreement

The Signatory Airline Agreement supersedes all Prior Signatory Airline Agreements, if any, between a Signatory Airline and the Authority and by executing the Signatory Airline Agreement, each Signatory Airline terminates all Prior Signatory Airline Agreements; provided, however, that any approvals obtained from either party under the provisions of Prior Signatory Airline Agreements shall survive its termination. The parties intend that the Signatory Airline Agreement shall be the final expression of their agreement with respect to its subject matter and that the Signatory Airline Agreement shall constitute the complete and exclusive statement of its terms.

Liens and Encumbrances

Each Signatory Airline shall keep the Premises free and clear of any liens and encumbrances arising or growing out of Signatory Airline's use and occupancy of the Premises or activities at the Airport. Each Signatory Airline agrees to fully indemnify and defend the Authority in connection with any such liens filed against the Premises. At the Authority's request, each Signatory Airline shall furnish the Authority with written proof of payment of any item that would or might constitute the basis for such a lien on the Premises if not paid or with proof that the Signatory Airline has posted any required bond or collateral while it disputes such lien.

Labor Disputes

Each Signatory Airline agrees to use its commercially reasonable efforts to avoid disruption to the Authority, its tenants or members of the public, arising from labor disputes involving the Signatory Airline, and in the event of a strike, picketing, demonstration or other labor difficulty involving the Signatory Airline, to use its good offices, including the utilization of available legal remedies, to minimize or eliminate any disruption to the Authority, its tenants or members of the public, arising from such strike, picketing, demonstration or other labor difficulty.

Agreement Not to Grant More Favorable Terms

During the Term, the Authority agrees not to enter into any lease, contract or other agreement with any other Air Carrier conducting operations at the Airport that contains rates, charges or terms more favorable to such Air Carrier than the rates, charges or terms each Signatory Airline has agreed to under the Signatory Airline Agreement, unless the Authority also makes those more favorable rates, charges or terms available to the Signatory Airlines. Such provisions shall not limit, impair or interfere with the Authority's ability to charge or establish such rates and charges as the Authority may deem applicable when entering into any lease, contract or other agreement with any party that is not an Air Carrier.

Irrevocable Election Not to Claim Depreciation or an Investment Credit

Pursuant to Internal Revenue Code Section 142(b)(1)(B)(i), each Signatory Airline makes an irrevocable election not to claim depreciation or an investment credit with respect to any property leased hereunder.

APPENDIX F

FORMS OF OPINIONS OF BOND COUNSEL

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[Letterhead of Hawkins Delafield & Wood LLP]

December 7, 2022

Board of Commissioners
The Metropolitan Nashville Airport
Authority
Nashville International Airport
Nashville, Tennessee 37317

Ladies and Gentlemen:

METROPOLITAN NASHVILLE AIRPORT AUTHORITY
AIRPORT IMPROVEMENT REVENUE BONDS, SERIES 2022A
$94,525,000

At your request we have examined into the validity of Ninety-Four Million Five Hundred Twenty-Five Thousand Dollars ($94,525,000) principal amount of Airport Improvement Revenue Bonds, Series 2022A (the "Series 2022A Bonds") of The Metropolitan Nashville Airport Authority (the "Authority"). The Series 2022A Bonds are issued in fully registered form; are dated their date of delivery; are of the denomination of $5,000 or any integral multiple thereof; are numbered consecutively from RA-1 upwards, bear interest payable July 1, 2023 and semi-annually thereafter each January 1 and July 1 at the rates per annum set forth in the schedule below; and mature and become payable as to principal on July 1 in each of the years and in the principal amounts as follows:

Year (July 1)	Principal Amount	Interest Rate	Year (July 1)	Principal Amount	Interest Rate
2026	$1,720,000	5.000%	2036	$2,805,000	5.000%
2027	1,810,000	5.000	2037	2,945,000	5.000
2028	1,900,000	5.000	2038	3,090,000	5.000
2029	1,990,000	5.000	2039	3,245,000	5.000
2030	2,090,000	5.000	2040	3,410,000	5.000
2031	2,195,000	5.000	2041	3,580,000	5.000
2032	2,305,000	5.000	2042	3,755,000	5.000
2033	2,425,000	5.000	2047	21,905,000	5.250
2034	2,545,000	5.000	2052	28,140,000	5.000
2035	2,670,000	5.000			

The Series 2022A Bonds are subject to redemption prior to maturity upon the terms and conditions and at the prices set forth therein.

The Series 2022A Bonds recite that they are issued under the authority of and pursuant to and in full compliance with the Constitution and laws of the State of Tennessee, including particularly the Metropolitan Airport Authority Act, as amended, and the Local Government Public Obligations Act of 1986, as amended, and pursuant to an Airport Improvement Revenue Bond Resolution (the "Bond Resolution") of the Authority adopted August 15, 1991, and a Twenty-First Supplemental Resolution of the Authority adopted October 19, 2022 and related Certificate of Determination of the Designated Financial Officer dated November 16, 2022 (collectively, the "Supplemental Resolution") (the Bond Resolution and Supplemental Resolution are referred to herein collectively as the "Resolution"). We have examined the Constitution and statutes of the State of Tennessee and certified copies of proceedings of the

Board of Commissioners of the Authority authorizing the issuance of the Series 2022A Bonds, including the Resolution. We have also examined a specimen Series 2022A Bond.

Terms not otherwise defined herein shall have the meanings set forth in the Resolution.

In our opinion:

1. The Series 2022A Bonds have been duly authorized and issued in accordance with the Constitution and statutes of the State of Tennessee, including particularly the Metropolitan Airport Authority Act, as amended, and the Local Government Public Obligations Act of 1986, as amended, and constitute valid and binding special obligations of the Authority enforceable in accordance with their terms payable, on a parity with all Bonds heretofore or hereafter issued under the Bond Resolution, from, and secured, equally and ratably with said bonds, by, the Net Revenues pledged to the payment thereof by the Bond Resolution.

2. The Bond Resolution and the Supplemental Resolution have been duly adopted by the Authority; the provisions of the Bond Resolution and the Supplemental Resolution are valid and binding obligations of the Authority enforceable in accordance with their terms; and the holders of the Series 2022A Bonds are entitled to the security and benefits of the Resolution.

3. Under existing statutes, the Series 2022A Bonds and the interest thereon are exempt from taxation by the State of Tennessee or any county, municipality or taxing district thereof, except to the extent such interest may be included within the measure of privilege taxes imposed pursuant to the laws of the State of Tennessee.

4. Under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, interest on the Series 2022A Bonds is (i) 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 (ii) not treated as a preference item in calculating the alternative minimum tax under the Code; however, for tax years beginning after December 31, 2022, interest on the Series 2022A Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In rendering the opinions in this paragraph (4), we have relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Authority in connection with the Series 2022A Bonds, and have assumed compliance by the Authority with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of the interest on the Series 2022A Bonds from gross income under Section 103 of the Code. Under the Code, noncompliance with such requirements may cause the interest on the Series 2022A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is discovered.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Series 2022A Bonds, or the ownership or disposition thereof, except as stated in paragraphs (3) and (4) above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Series 2022A Bonds.

It is to be understood that the rights of the holders of the Series 2022A Bonds under the Resolution and under such Series 2022A Bonds and the enforceability of such rights may be subject to the exercise of judicial discretion, the sovereign police powers of the State of Tennessee and the constitutional powers of the United States of America and to valid bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors.

We undertake no responsibility for the accuracy, completeness or fairness of any official statement or other offering materials relating to the Series 2022A Bonds and express no opinion relating thereto.

Very truly yours,

Hawkins Delafield & Wood LLP

[Letterhead of Hawkins Delafield & Wood LLP]

December 7, 2022

Board of Commissioners
The Metropolitan Nashville Airport
Authority
Nashville International Airport
Nashville, Tennessee 37317

Ladies and Gentlemen:

METROPOLITAN NASHVILLE AIRPORT AUTHORITY
AIRPORT IMPROVEMENT REVENUE BONDS, SERIES 2022B
$501,560,000

At your request we have examined into the validity of Five Hundred One Million Five Hundred Sixty Thousand Dollars ($501,560,000) principal amount of Airport Improvement Revenue Bonds, Series 2022B (the "Series 2022B Bonds") of The Metropolitan Nashville Airport Authority (the "Authority"). The Series 2022B Bonds are issued in fully registered form; are dated their date of delivery; are of the denomination of $5,000 or any integral multiple thereof; are numbered consecutively from RB-1 upwards, bear interest payable July 1, 2023 and semi-annually thereafter each January 1 and July 1 at the rates per annum set forth in the schedule below; and mature and become payable as to principal on July 1 in each of the years and in the principal amounts as follows:

Year (July 1)	Principal Amount	Interest Rate	Year (July 1)	Principal Amount	Interest Rate
2026	$8,855,000	5.000%	2036	$14,545,000	5.500%
2027	9,290,000	5.000	2037	15,350,000	5.500
2028	9,755,000	5.000	2038	16,200,000	5.500
2029	10,240,000	5.000	2039	17,090,000	5.500
2030	10,755,000	5.000	2040	18,030,000	5.500
2031	11,295,000	5.000	2041	19,010,000	5.500
2032	11,855,000	5.250	2042	20,055,000	5.500
2033	12,475,000	5.250	2047	117,515,000	5.250
2034	13,140,000	5.250	2052	127,285,000	5.500
2035	13,820,000	5.250	2052	25,000,000	5.000

The Series 2022B Bonds are subject to redemption prior to maturity upon the terms and conditions and at the prices set forth therein.

The Series 2022B Bonds recite that they are issued under the authority of and pursuant to and in full compliance with the Constitution and laws of the State of Tennessee, including particularly the Metropolitan Airport Authority Act, as amended, and the Local Government Public Obligations Act of 1986, as amended, and pursuant to an Airport Improvement Revenue Bond Resolution (the "Bond Resolution") of the Authority adopted August 15, 1991, and a Twenty-First Supplemental Resolution of the Authority adopted October 19, 2022 and related Certificate of Determination of the Designated Financial Officer dated November 16, 2022 (collectively, the "Supplemental Resolution") (the Bond Resolution and Supplemental Resolution are referred to herein collectively as the "Resolution"). We have examined the Constitution and statutes of the State of Tennessee and certified copies of proceedings of the

Board of Commissioners of the Authority authorizing the issuance of the Series 2022B Bonds, including the Resolution. We have also examined a specimen Series 2022B Bond.

Terms not otherwise defined herein shall have the meanings set forth in the Resolution.

In our opinion:

1. The Series 2022B Bonds have been duly authorized and issued in accordance with the Constitution and statutes of the State of Tennessee, including particularly the Metropolitan Airport Authority Act, as amended, and the Local Government Public Obligations Act of 1986, as amended, and constitute valid and binding special obligations of the Authority enforceable in accordance with their terms payable, on a parity with all Bonds heretofore or hereafter issued under the Bond Resolution, from, and secured, equally and ratably with said bonds, by, the Net Revenues pledged to the payment thereof by the Bond Resolution.

2. The Bond Resolution and the Supplemental Resolution have been duly adopted by the Authority; the provisions of the Bond Resolution and the Supplemental Resolution are valid and binding obligations of the Authority enforceable in accordance with their terms; and the holders of the Series 2022B Bonds are entitled to the security and benefits of the Resolution.

3. Under existing statutes, the Series 2022B Bonds and the interest thereon are exempt from taxation by the State of Tennessee or any county, municipality or taxing district thereof, except to the extent such interest may be included within the measure of privilege taxes imposed pursuant to the laws of the State of Tennessee.

4. Under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, interest on the Series 2022B Bonds is (i) excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except that no opinion is expressed as to such exclusion of interest on any Series 2022B Bond for any period during which the Series 2022B Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a "substantial user" of the facilities financed or refinanced with the proceeds of the Series 2022B Bonds or a "related person," and (ii) treated as a preference item in calculating the alternative minimum tax under the Code, and for tax years beginning after December 31, 2022, interest on the Series 2022B Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In rendering the opinions in this paragraph (4), we have relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Authority in connection with the Series 2022B Bonds, and have assumed compliance by the Authority with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of the interest on the Series 2022B Bonds from gross income under Section 103 of the Code. Under the Code, noncompliance with such requirements may cause the interest on the Series 2022B Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance occurs or is discovered.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Series 2022B Bonds, or the ownership or disposition thereof, except as stated in paragraphs (3) and (4) above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Series 2022B Bonds.

It is to be understood that the rights of the holders of the Series 2022B Bonds under the Resolution and under such Series 2022B Bonds and the enforceability of such rights may be subject to the exercise of judicial discretion, the sovereign police powers of the State of Tennessee and the constitutional powers of the United States of America and to valid bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors.

We undertake no responsibility for the accuracy, completeness or fairness of any official statement or other offering materials relating to the Series 2022B Bonds and express no opinion relating thereto.

Very truly yours,

Hawkins Delafield & Wood LLP

APPENDIX G

FORM OF CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (this "***Disclosure Agreement***") dated December 7, 2022, is executed and delivered by the **METROPOLITAN NASHVILLE AIRPORT AUTHORITY** (the "***Authority***") and **DIGITAL ASSURANCE CERTIFICATION, L.L.C.**, and any successor dissemination agent serving hereunder (the "***Dissemination Agent***" or "***DAC***").

RECITALS:

A. On the date hereof, the Authority issued and delivered its: (a) $94,525,000 Airport Improvement Revenue Bonds, Series 2022A (Non-AMT) (the "***Series 2022A Bonds***"); and (b) $501,560,000 Airport Improvement Revenue Bonds, Series 2022B (AMT) (the "***Series 2022B Bonds***," and together with the Series 2022A Bonds, the "***Series 2022 Bonds***"), pursuant to that certain Resolution No. 91-09 adopted by the Board of Commissioners of the Authority (the "***Board***") on August 15, 1991, as amended and supplemented from time to time (the "***Master Senior Resolution***"), and particularly as supplemented by that certain Twenty-First Supplemental Senior Resolution adopted by the Board on October 19, 2022 (the "***Twenty-First Supplemental Senior Resolution***" and together with the Master Senior Resolution, the "***Senior Bond Resolution***").

B. As a condition precedent to the purchase of the Series 2022 Bonds by the Participating Underwriter (as hereinafter defined) in accordance with the terms of the Bond Purchase Agreement, dated November 16, 2022, by and between the Participating Underwriter and the Authority, and in compliance with the Participating Underwriter's obligations under the Rule (as hereinafter defined), the Authority has agreed to undertake for the benefit of the holders of the Series 2022 Bonds, to provide certain annual financial information and notice of the occurrence of certain events as set forth herein.

NOW THEREFORE, in consideration of the purchase of the Series 2022 Bonds by the Participating Underwriter and the mutual promises and agreements made herein, the receipt and sufficiency of which consideration is hereby mutually acknowledged, the Authority and the Dissemination Agent do hereby certify and agree as follows:

Section 1. Incorporation of Recitals. The above recitals are true and correct and are incorporated into and made a part hereof

Section 2. Definitions.

(a) For the purposes of this Disclosure Agreement, all capitalized terms used, but not otherwise defined herein shall have the meanings ascribed thereto in the Senior Bond Resolution and the Official Statement, as applicable.

(b) In addition to the terms defined elsewhere herein, the following terms shall have the following meanings for the purposes of this Disclosure Agreement:

"***Actual Knowledge***" as used herein, and for the purposes hereof, a party shall be deemed to have "actual knowledge" of the occurrence of any event only if and to the extent the individual or individuals employed by such party and directly responsible for the administration of this Disclosure Agreement on behalf of such party have actual knowledge of or receive written notice of the occurrence of such event.

"***Annual Filing***" means any annual report provided by the Authority, pursuant to and as described in Sections 4 and 6 hereof.

"***Annual Filing Date***" means the date by which the Annual Filing is to be filed with the MSRB, which is not later than January 31 of each year commencing with January 31, 2024. If January 31 falls on a day that is not a Business Day, the Annual Filing will be due on the first Business Day thereafter.

"***Annual Financial Information***" means annual financial information as specified in Section 6(a) hereof.

"***Audited Financial Statements***" means the financial statements of the Authority for the prior Fiscal Year, certified by an independent auditor and prepared in accordance with generally accepted auditing standards and Government Auditing Principles issued by the Comptroller General of the United States.

"***Beneficial Owner***" means any beneficial owner of the Series 2022 Bonds. Beneficial ownership is to be determined consistent with the definition thereof contained in Rule 13d-3 of the SEC, or, in the event such provisions do not adequately address the situation at hand (in the opinion of nationally recognized bond counsel), beneficial ownership is to be determined based upon ownership for federal income tax purposes.

"***Business Day***" means a day other than: (a) Saturday or a Sunday, (b) a day on which banks are authorized or required by law to close, or (c) a day on which the Authority is authorized or required to be closed.

"***Disclosure Representative***" means the Chief Financial Officer of the Authority or her or his designee, or such other person as the Authority shall designate in writing to the Dissemination Agent from time to time as the person responsible for providing Information to the Dissemination Agent.

"***EMMA***" means the Electronic Municipal Market Access system, a service of the MSRB, or any successor thereto.

"***Filing***" means, as applicable, any Annual Filing, a Notice Event Filing, a Voluntary Filing or any other notice or report made public under this Disclosure Agreement.

"***Fiscal Year***" means the fiscal year of the Authority, which currently is the twelve-month period beginning July 1 and ending on June 30 of the following year or any such other twelve-month period designated by the Authority, from time to time, to be its fiscal year.

"***Information***" means the Annual Financial Information, the Audited Financial Statements, the Notice Event Filings and the Voluntary Filings.

"***MSRB***" means the Municipal Securities Rulemaking Board or any successor thereto.

"***Notice Event***" means an event listed in Section 5(a) hereof.

"***Notice Event Filing***" shall have the meaning specified in Section 5(c) hereof.

"***Obligated Person***" means the Authority and any person who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Series 2022 Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities). The Authority confirms that as of the date hereof it is an Obligated Person with respect to the Series 2022 Bonds.

"***Official Statement***" means the Official Statement dated November 16, 2022 with respect to the Series 2022 Bonds.

"***Participating Underwriter***" means, collectively, the original purchasers of the Series 2022 Bonds required to comply with the Rule in connection with the offering of the Series 2022 Bonds.

"***Repository***" means each entity authorized and approved by the SEC from time to time to act as a repository for purposes of complying with the Rule. The repositories currently approved by the SEC as of the date hereof may be found by visiting the SEC's website at http://www.sec.gov/info/municipal/nrmsir.htm. As of the date hereof, the only Repository recognized by the SEC for such purpose is the MSRB, which currently accepts continuing disclosure filings through the EMMA website at http://emma.msrb.org.

"***Rule***" means Rule 15c2-12 of the SEC promulgated pursuant to the Securities Exchange Act of 1934, as amended, in effect as of the date hereof.

"***SEC***" means the United States Securities and Exchange Commission or any successor thereto.

"***Third-Party Beneficiary***" has the meaning specified in Section 3(b) hereof.

"***Unaudited Financial Statements***" means the financial statements (if any) of the Authority for the prior Fiscal Year which have not been certified by an independent auditor.

"***Voluntary Filing***" means the information provided to the Dissemination Agent by the Authority pursuant to Section 8 hereof.

Section 3. Scope of this Disclosure Agreement.

(a) The Authority has agreed to enter into this Disclosure Agreement and undertake the disclosure obligations hereunder, at the request of the Participating Underwriter and as a condition precedent to the Participating Underwriter's original purchase of the Series 2022 Bonds, in order to assist the Participating Underwriter with compliance with the Rule. The disclosure obligations of the Authority under this Disclosure Agreement relate solely to the Series 2022 Bonds. Such disclosure obligations are not applicable to any other securities issued or to be issued by the Authority, nor to any other securities issued by or on behalf of the Authority.

(b) Neither this Disclosure Agreement, nor the performance by the Authority or the Dissemination Agent of their respective obligations hereunder, shall create any third-party beneficiary rights, shall be directly enforceable by any third-party, or shall constitute a basis for a claim by any person except as expressly provided herein and except as required by law, including, without limitation, the Rule; provided, however, the Participating Underwriter and each Beneficial Owner are hereby made third-party beneficiaries hereof (collectively, and each respectively, a "***Third-Party Beneficiary***") and shall have the right to enforce the obligations of the parties hereunder pursuant to Section 9 hereof.

(c) This Disclosure Agreement shall terminate upon: (i) the defeasance, redemption or payment in full of all Series 2022 Bonds, in accordance with the Senior Bond Resolution, or (ii) the delivery of an opinion of counsel expert in federal securities laws retained by the Authority to the effect that continuing disclosure is no longer required under the Rule with respect to the Series 2022 Bonds.

Section 4. Annual Filings.

(a) The Authority shall provide, annually, an electronic copy of the Annual Filing to the Dissemination Agent on or before the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Filing, the Dissemination Agent shall provide the Annual Filing to the Repository, in an electronic format as prescribed by the MSRB. The Annual Filing may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 6 hereof.

(b) If on the second (2^{nd}) Business Day prior to the Annual Filing Date, the Dissemination Agent has not received a copy of the Annual Filing, the Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by email) to remind the Authority of its undertaking to provide the Annual Filing pursuant to Section 4(a) hereof. Upon such reminder, the Disclosure Representative shall either (i) provide the Dissemination Agent with an electronic copy of the Annual Filing no later than 6:00 p.m. (Central Time) on the Annual Filing Date (or if such Annual Filing Date is not a Business Day, then the first Business Day thereafter), or (ii) instruct the Dissemination Agent in writing as to the status of the Annual Filing within the time required under this Disclosure Agreement, and state the date by which the Annual Filing for such year is expected to be provided. If the Dissemination Agent has not received either (i) the Annual Filing by 6:00 p.m. (Central Time) on the Annual Filing Date, or (ii) notice from the Authority that it intends to deliver the Annual Filing to the Dissemination Agent by 11:59 p.m. (Central Time) on the Annual Filing Date, the Authority hereby irrevocably directs the Dissemination Agent, and the Dissemination Agent agrees, to immediately send an Notice Event Filing to the Repository the following Business Day in substantially the form attached hereto as Exhibit A without reference to the anticipated filing date for the Annual Filing.

(c) If the Audited Financial Statements are not available by the Annual Filing Date, the Authority shall provide the Unaudited Financial Statements and when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Dissemination Agent for filing with the Repository.

(d) The Dissemination Agent shall:

(i) upon receipt and no later than the Annual Filing Date, promptly file each Annual Filing received under Section 4(a) hereof with the Repository in an electronic format as prescribed by the MSRB; and

(ii) provide the Authority evidence of the filing of the Annual Filing when made, which shall be made by means of the DAC system, for so long as DAC is the Dissemination Agent under this Disclosure Agreement.

(e) The Authority may adjust the Annual Filing Date upon change of its Fiscal Year by providing written notice of such change and the new Annual Filing Date to the Dissemination Agent and the Repository, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(f) Each Annual Filing shall contain the information set forth in Section 6 hereof.

Section 5. Reporting of Notice Events.

(a) In accordance with the Rule, the Authority or the Dissemination Agent shall file a Notice Event Filing with the Repository, in the appropriate format required by the MSRB and in a timely manner not in excess of ten (10) Business Days after it has Actual Knowledge of the occurrence of any of the following Notice Events with respect to the Series 2022 Bonds:

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers or their failure to perform;

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2022 Bonds, or other material events affecting the tax status of the Series 2022 Bonds;

(vii) Modifications to rights of holders, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution or sale of property securing repayment of the Series 2022 Bonds, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the Obligated Person. Such an event is considered to occur when there is an appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person;

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

(v) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(vi) Incurrence of a financial obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Obligated Person, any of which affect security holders, if material; or

(vii) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Obligated Person, any of which reflect financial difficulties.

(b) In accordance with the Rule, the Authority or the Dissemination Agent shall file a Notice Event Filing with the Repository, in the appropriate format required by the MSRB and in a timely manner, after the occurrence of a failure of the Authority to provide the Annual Filing on or before the Annual Filing Date.

(c) The Authority shall promptly notify the Dissemination Agent in writing upon having Actual Knowledge of the occurrence of a Notice Event; provided, however, to the extent any such Notice Event has been previously and properly disclosed by or on behalf of the Authority, the Authority shall not be required to provide additional notice of such Notice Event in accordance with this subsection. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to Section 5(e) hereof. Such notice shall be accompanied with the text of the disclosure that the Authority desires to make (each a "***Notice Event Filing***"), the written authorization of the Authority for the Dissemination Agent to disseminate such information, and the date on which the Authority desires the Dissemination Agent to disseminate the information.

The Dissemination Agent is under no obligation to notify the Authority or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will instruct the Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made, or (ii) a Notice Event has occurred and provide the Dissemination Agent with the Notice Event Filing and the date the Dissemination Agent should file the Notice Event Filing.

(d) The Dissemination Agent shall upon receipt, and no later than the required filing date, promptly file each Notice Event Filing received under Sections 5(a) and 5(b) hereof, with the Repository in an electronic format as prescribed by the MSRB.

Section 6. Content of Annual Filings.

(a) Each Annual Filing shall contain (i) the Audited Financial Statements for the prior Fiscal Year, and (ii) the following Annual Financial Information, consisting of, to the extent not included in the Audited Financial Statements and to the extent all such information continues to be available and/or prepared by the Authority and/or its consultants, updates of the following information set forth in the Official Statement:

(i) the table entitled "Passenger and All-Cargo Airlines Serving the Airport" under the heading "NASHVILLE INTERNATIONAL AIRPORT – Airlines Serving the Airport;"

(ii) the table entitled "Enplaned Passengers and O&D Enplaned Passengers" under the heading "NASHVILLE INTERNATIONAL AIRPORT – Enplaned Passenger Traffic;"

(iii) the table entitled "Enplaned Passenger Market Share" under the heading "NASHVILLE INTERNATIONAL AIRPORT – Enplaned Passenger Market Share;"

(iv) the table entitled "Passenger, Cargo, and Miscellaneous Landed Weight Market Share" under the heading "NASHVILLE INTERNATIONAL AIRPORT – Landed Weight;"

(v) the table entitled "Schedule of Revenues, Expenses and Change in Net Position" under the heading "AUTHORITY FINANCIAL INFORMATION – Schedule of Revenues, Expenses and Changes in Net Position;" and

(vi) the table entitled "Senior and Subordinate Debt Service Coverage" under the heading "AUTHORITY FINANCIAL INFORMATION – Senior and Subordinate Debt Service Coverage."

(b) If the Audited Financial Statements are not available by the time the Annual Filing is required to be filed pursuant to Section 4(a) hereof, the Annual Filing shall contain Unaudited Financial Statements of the Authority prepared in accordance with generally accepted accounting principles, as in effect from time to time, and the Audited Financial Statements shall be filed in the same manner as the Annual Filing when they become available. The Audited Financial Statements will be provided pursuant to Section 4(c) hereof.

Any or all of the items listed above may be included by specific reference to documents previously filed with the Repository or the SEC, including, but not limited to, official statements of debt issues with respect to which the Authority is an Obligated Person and the Authority's Annual Comprehensive Financial Report. If the document incorporated by reference is a final official statement, it must be available from the Repository. The Authority will clearly identify each such document so incorporated by reference.

Section 7. Responsibility for Content of Reports and Notices.

(a) The Authority shall be solely responsible for the content of each Filing (or any portion thereof) provided to the Dissemination Agent pursuant to this Disclosure Agreement.

(b) Each Filing distributed by the Dissemination Agent pursuant to Section 4 or 5 hereof shall be in a form suitable for distributing publicly and shall contain the CUSIP numbers of the Series 2022 Bonds and such other identifying information prescribed by the MSRB from time to time. Each Notice Event Filing shall be in substantially the form set forth in Exhibit A attached hereto. If an item of information contained in any Filing pursuant to this Disclosure Agreement would be misleading without additional information, the Authority shall include such additional information as a part of such Filing as may be necessary in order that the Filing will not be misleading in light of the circumstances under which it is made.

(c) Any report, notice or other filing to be made public pursuant to this Disclosure Agreement may consist of a single document or separate documents composing a package and may incorporate by reference other clearly identified documents or specified portions thereof previously filed with the Repository or the SEC; provided that any final official statement incorporated by reference must be available from the Repository.

(d) Notwithstanding any provision herein to the contrary, nothing in this Disclosure Agreement shall be construed to require the Authority or the Dissemination Agent to interpret or provide an opinion concerning information made public pursuant to this Disclosure Agreement.

(e) Notwithstanding any provision herein to the contrary, the Authority shall not make public, or direct the Dissemination Agent to make public, information which is not permitted to be publicly disclosed under any applicable data confidentiality or privacy law or other legal requirement.

Section 8. Voluntary Filings.

(a) The Authority may instruct the Dissemination Agent to file information with the Repository, from time to time (a "***Voluntary Filing***").

(b) Nothing in this Disclosure Agreement shall be deemed to prevent the Authority from disseminating any other information through the Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Filing, Annual Financial Statement, Voluntary Filing or Notice Event Filing, in addition to that required by this Disclosure Agreement. If the Authority chooses to include any information in any Annual Filing, Annual Financial Statement, Voluntary Filing or Notice Event Filing in addition to that which is specifically required by this Disclosure Agreement, the Authority shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Filing, Annual Financial Statement, Voluntary Filing or Notice Event Filing.

(c) Notwithstanding the foregoing provisions of this Section, the Authority is under no obligation to provide any Voluntary Filing.

(d) The Dissemination Agent shall upon receipt promptly file each Voluntary Filing received with the Repository in an electronic format as prescribed by the MSRB.

Section 9. Defaults; Remedies.

(a) A party shall be in default of its obligations hereunder if it fails or refuses to carry out or perform its obligations hereunder for a period of five (5) Business Days following notice of default given in writing to such party by any other party hereto or by any Third-Party Beneficiary hereof, unless such default is cured within such five (5) Business Day notice period. An extension of such five (5) Business Day cure period may be granted for good cause (in the reasonable judgment of the party granting the extension) by written notice from the party who gave the default notice.

(b) If a default occurs and continues beyond the cure period specified above, any non-defaulting party or any Third-Party Beneficiary may seek specific performance of the defaulting party's obligations hereunder as the sole and exclusive remedy available upon any such default, excepting, however, that the party seeking such specific performance may recover from the defaulting party any reasonable attorneys' fees and expenses incurred in the course of enforcing this Disclosure Agreement as a consequence of such default. Each of the parties hereby acknowledges that monetary damages will not be an adequate remedy at law for any default hereunder, and therefore agrees that the exclusive remedy of specific performance shall be available in proceedings to enforce this Disclosure Agreement.

(c) Notwithstanding any provision of this Disclosure Agreement or the Senior Bond Resolution to the contrary, no default under this Disclosure Agreement shall constitute a default or event of default under the Senior Bond Resolution.

Section 10. Amendment or Modification.

(a) This Disclosure Agreement shall not be amended or modified except as provided in this Section. No modification, amendment, alteration or termination of all or any part of this Disclosure Agreement shall be construed to be, or operate as, altering or amending in any way the provisions of the Senior Bond Resolution.

(b) Notwithstanding any other provision of this Disclosure Agreement, the Authority may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if: (i) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligor on the Series 2022 Bonds, or type of business conducted by such obligor; (ii) such amendment or waiver does not materially impair the interests of the Beneficial Owners of the Series 2022 Bonds, as determined either by an unqualified opinion of counsel expert in federal securities laws retained by the Authority or by the approving vote a majority of the Beneficial Owners of the Series 2022 Bonds outstanding at the time of such amendment or waiver; and (iii) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws retained by the Authority, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule, as well as any change in circumstances.

(c) If any provision of Section 6 hereof is amended or waived, the first Annual Filing containing any amended, or omitting any waived, operating data or financial information shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided.

(d) If the provisions of this Disclosure Agreement specifying the accounting principles to be followed in preparing the Authority's financial statements are amended or waived, the Annual Filing for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to the Beneficial Owners of the Series 2022 Bonds to enable them to evaluate the ability of the Authority to meet its obligations. To the extent reasonably feasible, the comparison shall also be quantitative. The Authority will file a notice of the change in the accounting principles with the Repository on or before the effective date of any such amendment or waiver.

(e) Notwithstanding the foregoing, the Dissemination Agent shall not be obligated to agree to any amendment expanding its duties or obligations hereunder without its consent thereto.

(f) The Authority shall prepare or cause to be prepared a notice of any such amendment or modification and shall direct the Dissemination Agent to make such notice public in accordance with Section 8 hereof.

Section 11. Agency Relationship.

(a) The Dissemination Agent agrees to perform such duties, but only such duties, as are specifically set forth in this Disclosure Agreement, and no implied duties or obligations of any kind shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Dissemination Agent may conclusively rely, as to the truth, accuracy and completeness of the statements set forth therein, upon all notices, reports, certificates or other materials furnished to the Dissemination Agent pursuant to this Disclosure Agreement, and in the case of notices and reports required to be furnished to the Dissemination Agent pursuant to this Disclosure Agreement, the Dissemination Agent shall have no duty whatsoever to examine the same to determine whether they conform to the requirements of this Disclosure Agreement.

(b) The Dissemination Agent shall not be liable for any error of judgment made in good faith by a responsible officer or officers of the Dissemination Agent unless it shall be proven that the

Dissemination Agent engaged in negligent conduct or willful misconduct in ascertaining the pertinent facts related thereto.

(c) The Dissemination Agent shall perform its rights and duties under this Disclosure Agreement using the same standard of care as a prudent person would exercise under the circumstances, and the Dissemination Agent shall not be liable for any action taken or failure to act in good faith under this Disclosure Agreement unless it shall be proven that the Dissemination Agent was negligent or engaged in willful misconduct.

(d) The Dissemination Agent may perform any of its duties hereunder by or through attorneys or agents selected by it with reasonable care, and shall be entitled to the advice of counsel concerning all matters arising hereunder, and may in all cases pay such reasonable compensation as it may deem proper to all such attorneys and agents. The Dissemination Agent shall be responsible for the acts or negligence of any such attorneys, agents or counsel.

(e) The Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the Authority, the holders of the Series 2022 Bonds or any other party.

(f) None of the provisions of this Disclosure Agreement or any notice or other document delivered in connection herewith shall require the Dissemination Agent to advance, expend or risk its own funds or otherwise incur financial liability in the performance of any of the Dissemination Agent's duties or rights under this Disclosure Agreement.

(g) Except as expressly provided herein, the Dissemination Agent shall not be required to monitor the compliance of the Authority with the provisions of this Disclosure Agreement or to exercise any remedy, institute a suit or take any action of any kind without indemnification satisfactory to the Dissemination Agent.

(h) The Dissemination Agent may resign at any time by giving at least ninety (90) days prior written notice thereof to the Authority. The Dissemination Agent may be removed for good cause at any time by written notice to the Dissemination Agent from the Authority, provided that such removal shall not become effective until a successor dissemination agent has been appointed by the Authority under this Disclosure Agreement.

(i) In the event the Dissemination Agent shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of the Dissemination Agent for any reason, the Authority shall promptly appoint a successor. Notwithstanding any provision to the contrary in this Disclosure Agreement or elsewhere, the Authority may appoint itself to serve as Dissemination Agent hereunder.

(j) Any company or other legal entity into which the Dissemination Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which the Dissemination Agent may be a party or any company to whom the Dissemination Agent may sell or transfer all or substantially all of its agency business shall be the successor dissemination agent hereunder without the execution or filing of any paper or the performance of any further act and shall be authorized to perform all rights and duties imposed upon the Dissemination Agent by this Disclosure Agreement, anything herein to the contrary notwithstanding.

Section 12. Miscellaneous.

(a) Each of the parties hereto represents and warrants to each other party that it has (i) duly authorized the execution and delivery of this Disclosure Agreement by the officers of such party whose signatures appear on the execution pages hereto, (ii) that it has all requisite power and authority to execute, deliver and perform this Disclosure Agreement under applicable law and any resolutions, ordinances, or other actions of such party now in effect, (iii) that the execution and delivery of this Disclosure Agreement, and performance of the terms hereof, does not and will not violate any law, regulation, ruling, decision, order, indenture, decree, agreement or instrument by which such party or its property or assets is bound, and (iv) such party is not aware of any litigation or proceeding pending, or, to the best of such party's knowledge, threatened, contesting or questioning its existence, or its power and authority to enter into this Disclosure Agreement, or its due authorization, execution and delivery of this Disclosure Agreement, or otherwise contesting or questioning the issuance of the Series 2022 Bonds.

(b) This Disclosure Agreement shall be governed by and interpreted in accordance with the laws of the State of Tennessee and applicable federal law.

(c) This Disclosure Agreement may be executed in one or more counterparts, each and all of which shall constitute one and the same instrument.

Section 13. Identifying Information. All documents provided to the Repository pursuant to this Disclosure Agreement shall be accompanied by identifying information as prescribed by the MSRB.

Section 14. Severability. In case any part of this Disclosure Agreement is held to be illegal or invalid, such illegality or invalidity shall not affect the remainder or any other section of this Disclosure Agreement. This Disclosure Agreement shall be construed or enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application of this Disclosure Agreement affect any legal and valid application.

IN WITNESS WHEREOF, the Authority and the Dissemination Agent have each caused this Disclosure Agreement to be executed, on the date first written above, by their respective duly authorized officers.

THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY

By: ____
Douglas E. Kreulen, A.A.E.,
President and Chief Executive Officer

By: ____
Margaret M. Basrai, CPA, CGMA, C.M.,
Executive Vice President and Chief Financial Officer

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Dissemination Agent

By: ____
Name: ______________________________________
Title: _______________________________________

EXHIBIT A

NOTICE TO REPOSITORY OF THE OCCURRENCE OF
[INSERT THE NOTICE EVENT]

Relating to

$94,525,000 Metropolitan Nashville Airport Authority Airport Improvement Revenue Bonds, Series 2022A (Non-AMT)	$501,560,000 Metropolitan Nashville Airport Authority Airport Improvement Revenue Bonds, Series 2022B (AMT)

Originally Issued on December 7, 2022

[**CUSIP NUMBERS**]

Notice is hereby given by the Metropolitan Nashville Airport Authority (the "Authority"), as Obligated Person with respect to the above-referenced bonds issued by the Authority, under the Securities and Exchange Commission's Rule 15c2-12, that [**INSERT THE NOTICE EVENT**] has occurred. [**DESCRIBE NOTICE EVENT AND MATERIAL CIRCUMSTANCES RELATED THERETO**].

This Notice is based on the best information available to the Authority at the time of dissemination hereof and is not guaranteed by the Authority as to the accuracy or completeness of such information. The Authority will disseminate additional information concerning [**NOTICE EVENT**], as and when such information becomes available to the Authority, to the extent that the dissemination of such information would be consistent with the requirements of Rule 15c2-12 and the Authority's obligation under that certain Continuing Disclosure Agreement dated December 7, 2022. [**Any questions regarding this notice should be directed in writing only to the Authority. However, the Authority will not provide additional information or answer questions concerning [**NOTICE EVENT**] except in future written notices, if any, disseminated by the Authority in the same manner and to the same recipients as this Notice**].

DISCLAIMER: All information contained in this Notice has been obtained by the Authority from sources believed to be reliable as of the date hereof. Due to the possibility of human or mechanical error as well as other factors, however, such information is not guaranteed as to the accuracy, timeliness or completeness. Under no circumstances shall the Authority have any liability to any person or entity for (a) any loss, damage, cost, liability or expense in whole or in part caused by, resulting from or relating to this Notice, including, without limitation, any error negligent or otherwise) or other circumstances involved in procuring, collecting, compiling, interpreting, analyzing, editing, transcribing, transmitting, communicating or delivering any information contained in this Notice, or (b) any direct, indirect, special, consequential or incidental damages whatsoever related thereto.

Dated: ____________, 20___

METROPOLITAN NASHVILLE AIRPORT AUTHORITY

By: ____
Name: ______________________________________
Title: _______________________________________

APPENDIX H

BOOK-ENTRY ONLY SYSTEM AND GLOBAL CLEARANCE PROCEDURES

The information set forth in this Appendix H is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream (DTC, Euroclear and Clearstream together, the "Clearing Systems") currently in effect. The information in this Appendix H concerning the Clearing Systems has been obtained from sources believed to be reliable, but neither the Authority nor the Underwriters take any responsibility for the accuracy, completeness or adequacy of the information in this Appendix H. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Authority nor the Paying Agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of beneficial ownership interests in the Series 2022 Senior Bonds held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

So long as Cede & Co. is the registered owner of the Series 2022 Senior Bonds, as nominee for DTC, references herein and in the Senior Bond Resolution to the Bondholders, registered owners or owners (or similar terms) of the Series 2022 Senior Bonds shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2022 Senior Bonds.

DTC Book-Entry-Only System

Introduction. The beneficial owners of the Series 2022 Senior Bonds should confirm the following information with DTC, the Direct Participants or the Indirect Participants.

NEITHER THE AUTHORITY NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT; (B) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2022 SENIOR BONDS UNDER THE SENIOR INDENTURE, (C) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2022 SENIOR BONDS; (D) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL, PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE OWNER OF THE SERIES 2022 SENIOR BONDS; (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNERS OF SERIES 2022 SENIOR BONDS; OR (F) ANY OTHER MATTER REGARDING DTC.

General. DTC will act as securities depository for the Series 2022 Senior Bonds. The Series 2022 Senior Bonds will be issued as fully–registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully–registered bond certificate will be issued for each maturity of each series of the Series 2022 Senior Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or held by the Paying Agent.

DTC, the world's largest securities depository, is a limited–purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York

Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non–U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post–trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book–entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of Series 2022 Senior Bond certificates. Direct Participants include both U.S. and non–U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly–owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non–U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC may be found on its web sites. The Authority undertakes no responsibility for and makes no representations as to the accuracy or the completeness of the content of such material contained on DTC's website as described in the preceding sentence including, but not limited to, updates of such information or links to other Internet sites accessed through the aforementioned website.

Purchases of the Series 2022 Senior Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2022 Senior Bonds, as applicable, on DTC's records. The ownership interest of each actual purchaser of each Series 2022 Senior Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2022 Senior Bonds, are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2022 Senior Bonds, except in the event that use of the book–entry system for the Series 2022 Senior Bonds is discontinued.

To facilitate subsequent transfers, all Series 2022 Senior Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2022 Senior Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2022 Senior Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2022 Senior Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

While the Series 2022 Senior Bonds are in the book-entry-only system, redemption notices shall be sent to DTC. If less than all of the Series 2022 Senior Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2022 Senior Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2022 Senior Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and interest payments on the Series 2022 Senior Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Series 2022 Senior Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct and Indirect Participant and not of DTC, the Authority and the Paying Agent subject to any statutory, or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest on the Series 2022 Senior Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority and the 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 and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2022 Senior Bonds at any time by giving reasonable notice to the Authority and the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered. To the extent permitted by law, the Authority may decide to discontinue use of the system of book–entry transfers through DTC (or to the extent permitted by law, a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

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

AS LONG AS CEDE & CO. OR ITS SUCCESSOR IS THE REGISTERED HOLDER OF THE SERIES 2022 SENIOR BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE REGISTERED HOLDERS OF THE SERIES 2022 SENIOR BONDS SHALL MEAN CEDE & CO., AS AFORESAID, AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2022 SENIOR BONDS.

In the event the Authority determines not to continue the book-entry system or DTC determines to discontinue its services with respect to the Series 2022 Senior Bonds and the Authority does not select another qualified depository, the Authority shall deliver one or more Series 2022 Senior Bonds in such principal amount or amounts, in authorized denominations, and registered in whatever name or names, as DTC shall designate. In such event, transfers and exchanges of Series 2022 Senior Bonds, as applicable, will be governed by the provisions of the Senior Indenture.

Risks of Book-Entry System. The Authority makes no assurance, and the Authority shall incur no liability, regarding the fulfillment by DTC of its obligations under the book-entry system with respect to the Series 2022 Senior Bonds.

In addition, Beneficial Owners of the Series 2022 Senior Bonds may experience some delay in their receipt of distributions of principal of, premium, if any, and interest on, the Series 2022 Senior Bonds, as applicable, since such distributions will be forwarded by the Authority to DTC and DTC will credit such distributions to the accounts of the Direct Participants which will thereafter credit them to the accounts of the Beneficial Owners either directly or through Indirect Participants.

Since transactions in the Series 2022 Senior Bonds can be effected only through DTC, Direct Participants, Indirect Participants and certain banks, the ability of a Beneficial Owner to pledge Series 2022 Senior Bonds, to persons or entities that do not participate in the DTC system, or otherwise to take actions in respect of such Series 2022 Senior Bonds, as applicable, may be limited due to lack of a physical certificate. Beneficial Owners will not be recognized by the Authority as registered owners of the Series 2022 Senior Bonds, and Beneficial Owners will only be permitted to exercise the rights of registered owners indirectly through DTC and its Participants.

Global Clearance Procedures

Beneficial interests in the Series 2022 Senior Bonds may be held through DTC, Clearstream Banking, S.A. ("Clearstream") or Euroclear Bank SA/NV ("Euroclear") as operator of the Euroclear System, directly as a participant or indirectly through organizations that are participants in such system.

Euroclear and Clearstream. Euroclear and Clearstream each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system, either directly or indirectly.

Clearing and Settlement Procedures. The Series 2022 Senior Bonds sold in offshore transactions will be initially issued to investors through the book-entry facilities of DTC, or Clearstream and Euroclear in Europe if the investors are participants in those systems, or indirectly through organizations that are participants in the systems. For any of such Series 2022 Senior Bonds, the record holder will be DTC's nominee. Clearstream and Euroclear will hold omnibus positions on behalf of their participants through customers' securities accounts in Clearstream's and Euroclear's names on the books of their respective depositories.

The depositories, in turn, will hold positions in customers' securities accounts in the depositories' names on the books of DTC. Because of time zone differences, the securities account of a Clearstream or Euroclear participant as a result of a transaction with a participant, other than a depository holding on behalf of Clearstream or Euroclear, will be credited during the securities settlement processing day, which must be a business day for Clearstream or Euroclear, as the case may be, immediately following the DTC settlement date. These credits or any transactions in the securities settled during the processing will be reported to the relevant Euroclear participant or Clearstream participant on that business day. Cash received in Clearstream or Euroclear as a result of sales of securities by or through a Clearstream participant or Euroclear participant to a DTC Participant, other than the depository for Clearstream or Euroclear, will be received with value on the DTC settlement date but will be available in the relevant Clearstream or Euroclear cash account only as of the business day following settlement in DTC.

Transfer Procedures. Transfers between participants will occur in accordance with DTC rules. Transfers between Clearstream participants or Euroclear participants will occur in accordance with their respective rules and operating procedures. Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream participants or Euroclear participants, on the other, will be effected by DTC in accordance with DTC rules on behalf of the relevant European international clearing system by the relevant depositories; however, cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in the system in accordance with its rules and procedures and within its established deadlines in European time.

The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its depository to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same day funds settlement applicable to DTC. Clearstream participants or Euroclear participants may not deliver instructions directly to the depositories.

The Authority will not impose any fees in respect of holding the Series 2022 Senior Bonds; however, holders of book-entry interests in the Series 2022 Senior Bonds may incur fees normally payable in respect of the maintenance and operation of accounts in DTC, Euroclear and Clearstream.

Initial Settlement. Interests in the Series 2022 Senior Bonds will be in uncertified book-entry form. Purchasers electing to hold book-entry interests in the Series 2022 Senior Bonds through Euroclear and Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds. Book-entry interests in the Series 2022 Senior Bonds will be credited to Euroclear and Clearstream participants' securities clearance accounts on the business day following the date of delivery of the Series 2022 Senior Bonds against payment (value as on the date of delivery of the Series 2022 Senior Bonds). DTC participants acting on behalf of purchasers electing to hold book-entry interests in the Series 2022 Senior Bonds through DTC will follow the delivery practices applicable to securities eligible for DTC's Same Day Funds Settlement system. DTC participants' securities accounts will be credited with book-entry interests in the Series 2022 Senior Bonds following confirmation of receipt of payment to the Authority on the date of delivery of the Series 2022 Senior Bonds.

Secondary Market Trading. Secondary market trades in the Series 2022 Senior Bonds will be settled by transfer of title to book-entry interests in Euroclear, Clearstream or DTC, as the case may be. Title to such book-entry interests will pass by registration of the transfer within the records of Euroclear, Clearstream or DTC, as the case may be, in accordance with their respective procedures. Book-entry interests in the 2022 Senior Bonds may be transferred within Euroclear and within Clearstream and between Euroclear and Clearstream in accordance with procedures established for these purposes by Euroclear and Clearstream. Book-entry interests in the Series 2022 Senior Bonds may be transferred within DTC in accordance with procedures established for this purpose by DTC. Transfer of book-entry interests in the Series 2022 Senior Bonds between Euroclear or Clearstream and DTC may be effected in accordance with procedures established for this purpose by Euroclear, Clearstream and DTC.

Special Timing Considerations. Investors should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the Series 2022 Senior Bonds through Euroclear or Clearstream on days when those systems are open for business. In addition, because of time-zone differences, there may be complications with completing transactions involving Clearstream and/or Euroclear on the same business day as in the United States. U.S. investors who wish to transfer their interests in the Series 2022 Senior Bonds, or to receive or make a payment or delivery of the Series 2022 Senior Bonds, on a particular day, may find that the transactions will not be performed until the next business day in Luxembourg if Clearstream is used, or Brussels if Euroclear is used.

Clearing Information. It is expected that the Series 2022 Senior Bonds will be accepted for clearance through the facilities of Euroclear and Clearstream. The CUSIP numbers for the Series 2022 Senior Bonds are set forth on the inside cover of the Official Statement.

General. Neither Euroclear nor Clearstream is under any obligation to perform or continue to perform the procedures referred to above, and such procedures may be discontinued at any time.

NONE OF THE AUTHORITY, THE PAYING AGENT OR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY FOR THE PERFORMANCE BY EUROCLEAR OR CLEARSTREAM OR THEIR RESPECTIVE DIRECT OR INDIRECT PARTICIPANTS OR ACCOUNT HOLDERS OF THEIR RESPECTIVE OBLIGATIONS UNDER THE RULES AND PROCEDURES GOVERNING THEIR OPERATIONS OR THE ARRANGEMENTS REFERRED TO ABOVE.

METROPOLITAN NASHVILLE AIRPORT AUTHORITY • Airport Improvement Revenue Bonds, Series 2022A (Non-AMT) and Series 2022B (AMT)

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