



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 2026 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 2026B Senior Bond or Series 2026D Senior Bond for any period during which the Series 2026B Senior Bond or the Series 2026D 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 2026B Senior Bonds or the Series 2026D Senior Bonds or a "related person," (b) interest on the Series 2026A Senior Bonds and the Series 2026C Senior Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, (c) interest on the Series 2026B Senior Bonds and the Series 2026D Senior Bonds is treated as a preference item in calculating the alternative minimum tax under the Code, and (d) interest on the Series 2026 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 2026 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.



\$1,267,440,000

METROPOLITAN NASHVILLE AIRPORT AUTHORITY

\$459,790,000

**Airport Improvement Revenue Bonds,
Series 2026A (Non-AMT)**

\$65,950,000

**Airport Improvement Revenue Bonds,
Refunding Series 2026C (Non-AMT)**

\$661,815,000

**Airport Improvement Revenue Bonds,
Series 2026B (AMT)**

\$79,885,000

**Airport Improvement Revenue Bonds,
Refunding Series 2026D (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 (i) \$459,790,000 in aggregate principal amount of its Airport Improvement Revenue Bonds, Series 2026A (Non-AMT) (the "Series 2026A Senior Bonds"), (ii) \$661,815,000 in aggregate principal amount of its Airport Improvement Revenue Bonds, Series 2026B (AMT) (the "Series 2026B Senior Bonds"), (iii) \$65,950,000 in aggregate principal amount of its Airport Improvement Revenue Bonds, Refunding Series 2026C (Non-AMT) (the "Series 2026C Senior Bonds"), and (iv) \$79,885,000 in aggregate principal amount of its Airport Improvement Revenue Bonds, Refunding Series 2026D (AMT) (the "Series 2026D Senior Bonds," and collectively with the Series 2026A Senior Bonds, the Series 2026B Senior Bonds and the Series 2026C Senior Bonds, the "Series 2026 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 2026 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-Second Supplemental Resolution, authorizing the issuance of the Series 2026 Senior Bonds, adopted by the Board on October 15, 2025 (the "Twenty-Second Supplemental Senior Resolution," and together with the Master Senior Resolution, the "Senior Bond Resolution").

The Senior Bonds, including the Series 2026 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 2026 SENIOR BONDS," "OUTSTANDING AUTHORITY OBLIGATIONS – Existing Senior Bonds" and "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION."

The Series 2026 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's Capital Program; (b) pay a portion of the amounts outstanding under the Note Purchase Agreement; (c) refund and defease all of the outstanding Series 2015 Senior Bonds; (d) fund capitalized interest on the Series 2026A Senior Bonds and the Series 2026B Senior Bonds; (e) fund a deposit to the Airport Improvement Bond Reserve Fund to meet the Airport Improvement Bond Reserve Fund Requirement; and (f) pay certain costs of issuance related to the Series 2026 Senior Bonds. See "INTRODUCTION – Authority's Capital Program," "PLAN OF FINANCE," "ESTIMATED SOURCES AND USES OF FUNDS" and "AUTHORITY'S CAPITAL PROGRAM."

The Series 2026 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 2026 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 2026 Senior Bonds so purchased. Payments of principal of and interest on the Series 2026 Senior Bond will be made to Cede & Co., as nominee for DTC as registered owner of the Series 2026 Senior Bonds, by U.S. Bank Trust Company, National Association, as bond registrar and paying agent for the Series 2026 Senior Bonds, to be subsequently disbursed to the Beneficial Owners of the Series 2026 Senior Bonds. See "DESCRIPTION OF THE SERIES 2026 SENIOR BONDS – General" and "APPENDIX H – BOOK-ENTRY ONLY SYSTEM."

Interest on the Series 2026 Senior Bonds will be payable semiannually on January 1 and July 1 of each year, commencing on July 1, 2026. The Series 2026 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 2026 SENIOR BONDS – General."

The Series 2026 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 2026 SENIOR BONDS – Redemption Provisions."

THE SERIES 2026 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 2026 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 2026 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 2026 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 2026 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 2026 Senior Bonds. Certain legal matters in connection with the Series 2026 Senior Bonds will be passed upon for the Underwriters by Squire Patton Boggs (US) LLP, Cleveland, Ohio, as Underwriters' Counsel. PFM Financial Advisors LLC, Memphis, Tennessee, is serving as Municipal Advisor to the Authority. The Series 2026 Senior Bonds are expected to be delivered through the book-entry system of DTC on or about February 4, 2026.

BofA Securities

FHN Financial Capital Markets

Jefferies

J.P. Morgan

Loop Capital Markets

Ramirez & Co., Inc.

Siebert Williams Shank

Date of Official Statement: January 14, 2026.

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

**\$459,790,000
METROPOLITAN NASHVILLE AIRPORT AUTHORITY
Airport Improvement Revenue Bonds,
Series 2026A (Non-AMT)**

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP Numbers[†]
2029	\$7,860,000	5.000%	2.320%	108.731	592190RE4
2030	8,260,000	5.000	2.340	111.078	592190RF1
2031	8,670,000	5.000	2.420	113.003	592190RG9
2032	9,110,000	5.000	2.500	114.716	592190RH7
2033	9,570,000	5.000	2.580	116.221	592190RJ3
2034	10,035,000	5.000	2.700	117.195	592190RK0
2035	10,540,000	5.000	2.800	118.083	592190RL8
2036	11,080,000	5.000	2.920	117.781 ^C	592190RM6
2037	11,620,000	5.000	3.070	116.378 ^C	592190RN4
2038	12,210,000	5.000	3.190	115.269 ^C	592190RP9
2039	12,820,000	5.000	3.310	114.174 ^C	592190RQ7
2040	13,460,000	5.000	3.370	113.631 ^C	592190RR5
2041	14,130,000	5.000	3.510	112.375 ^C	592190RS3
2042	14,840,000	5.000	3.650	111.136 ^C	592190RT1
2043	15,575,000	5.000	3.780	110.001 ^C	592190RU8
2044	16,355,000	5.000	3.940	108.622 ^C	592190RV6
2045	17,180,000	5.000	4.070	107.517 ^C	592190RW4
2046	18,040,000	5.000	4.180	106.593 ^C	592190RX2

\$104,650,000 – 5.000% Series 2026A Senior Term Bonds due July 1, 2051;
Yield 4.500%; Price 103.957^C; CUSIP No.[†]: 592190RY0

\$83,785,000 – 5.000% Series 2026A Senior Term Bonds due July 1, 2056;
Yield 4.580%; Price 103.311^C; CUSIP No.[†]: 592190RZ7

\$50,000,000 – 5.250% Series 2026A Senior Term Bonds due July 1, 2056;
Yield 4.510%; Price 105.856^C; CUSIP No.[†]: 592190SA1

[†] Copyright 2026, 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 2026A 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 2026A 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 2026A Senior Bonds.

^C Priced to the par call date of January 1, 2036.

\$661,815,000
METROPOLITAN NASHVILLE AIRPORT AUTHORITY
Airport Improvement Revenue Bonds,
Series 2026B (AMT)

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP Numbers[†]
2029	\$11,255,000	5.000%	2.880%	106.832	592190SB9
2030	11,820,000	5.000	2.970	108.327	592190SC7
2031	12,410,000	5.000	3.010	109.861	592190SD5
2032	13,030,000	5.000	3.090	111.024	592190SE3
2033	13,685,000	5.000	3.160	112.065	592190SF0
2034	14,360,000	5.000	3.240	112.860	592190SG8
2035	15,080,000	5.000	3.330	113.390	592190SH6
2036	15,840,000	5.000	3.450	112.911 ^C	592190SJ2
2037	16,635,000	5.000	3.540	112.108 ^C	592190SK9
2038	17,460,000	5.000	3.610	111.489 ^C	592190SL7
2039	18,330,000	5.000	3.710	110.611 ^C	592190SM5
2040	19,250,000	5.000	3.760	110.175 ^C	592190SN3
2041	20,220,000	5.000	3.910	108.879 ^C	592190SP8
2042	21,220,000	5.000	4.010	108.025 ^C	592190SQ6
2043	22,285,000	5.000	4.130	107.012 ^C	592190SR4
2044	23,400,000	5.000	4.250	106.009 ^C	592190SS2
2045	24,565,000	5.000	4.380	104.936 ^C	592190ST0
2046	25,790,000	5.000	4.470	104.201 ^C	592190SU7

\$150,420,000 – 5.250% Series 2026B Senior Term Bonds due July 1, 2051;
Yield 4.730%; Price 104.071^C; CUSIP No.[†]: 592190SV5

\$94,760,000 – 5.250% Series 2026B Senior Term Bonds due July 1, 2056;
Yield 4.790%; Price 103.590^C; CUSIP No.[†]: 592190SW3

\$100,000,000 – 5.500% Series 2026B Senior Term Bonds due July 1, 2056;
Yield 4.700%; Price 106.274^C; CUSIP No.[†]: 592190SX1

[†] Copyright 2026, 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 2026B 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 2026B 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 2026B Senior Bonds.

^C Priced to the par call date of January 1, 2036.

\$65,950,000
METROPOLITAN NASHVILLE AIRPORT AUTHORITY
Airport Improvement Revenue Bonds,
Refunding Series 2026C (Non-AMT)

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP Numbers[†]
2027	\$2,240,000	5.000%	2.320%	103.690	592190SY9
2028	2,350,000	5.000	2.350	106.167	592190SZ6
2029	2,465,000	5.000	2.320	108.731	592190TA0
2030	2,490,000	5.000	2.340	111.078	592190TB8
2031	2,615,000	5.000	2.420	113.003	592190TC6
2032	2,745,000	5.000	2.500	114.716	592190TD4
2033	2,880,000	5.000	2.580	116.221	592190TE2
2034	3,025,000	5.000	2.700	117.195	592190TF9
2035	3,180,000	5.000	2.800	118.083	592190TG7
2036	3,335,000	5.000	2.920	117.781 ^C	592190TH5
2037	3,505,000	5.000	3.070	116.378 ^C	592190TJ1
2038	3,675,000	5.000	3.190	115.269 ^C	592190TK8
2039	3,865,000	5.000	3.310	114.174 ^C	592190TL6
2040	4,055,000	5.000	3.370	113.631 ^C	592190TM4
2041	4,260,000	5.000	3.510	112.375 ^C	592190TN2
2042	4,465,000	5.000	3.650	111.136 ^C	592190TP7
2043	4,695,000	5.000	3.780	110.001 ^C	592190TQ5
2044	4,930,000	5.000	3.940	108.622 ^C	592190TR3
2045	5,175,000	5.000	4.070	107.517 ^C	592190TS1

[†] Copyright 2026, 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 2026C 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 2026C 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 2026C Senior Bonds.

^C Priced to the par call date of January 1, 2036.

\$79,885,000
METROPOLITAN NASHVILLE AIRPORT AUTHORITY
Airport Improvement Revenue Bonds,
Refunding Series 2026D (AMT)

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP Numbers[†]
2027	\$3,020,000	5.000%	2.840%	102.958	592190TT9
2028	3,160,000	5.000	2.860	104.943	592190TU6
2029	3,305,000	5.000	2.880	106.832	592190TV4
2030	3,455,000	5.000	2.970	108.327	592190TW2
2031	3,620,000	5.000	3.010	109.861	592190TX0
2032	3,785,000	5.000	3.090	111.024	592190TY8
2033	3,675,000	5.000	3.160	112.065	592190TZ5
2034	3,855,000	5.000	3.240	112.860	592190UA8
2035	4,050,000	5.000	3.330	113.390	592190UB6
2036	3,810,000	5.000	3.450	112.911 ^C	592190UC4
2037	4,005,000	5.000	3.540	112.108 ^C	592190UD2
2038	4,205,000	5.000	3.610	111.489 ^C	592190UE0
2039	4,415,000	5.000	3.710	110.611 ^C	592190UF7
2040	4,635,000	5.000	3.760	110.175 ^C	592190UG5
2041	4,865,000	5.000	3.910	108.879 ^C	592190UH3
2042	5,110,000	5.000	4.010	108.025 ^C	592190UJ9
2043	5,365,000	5.000	4.130	107.012 ^C	592190UK6
2044	5,635,000	5.000	4.250	106.009 ^C	592190UL4
2045	5,915,000	5.000	4.380	104.936 ^C	592190UM2

[†] Copyright 2026, 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 2026D 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 2026D 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 2026D Senior Bonds.

^C Priced to the par call date of January 1, 2036.

[PAGE INTENTIONALLY LEFT BLANK]

METROPOLITAN NASHVILLE AIRPORT AUTHORITY

BOARD OF COMMISSIONERS

Nancy B. Sullivan, P.E., *Chair*

James W. “Jimmy” Granbery, *Vice Chair*

Andrew W. Byrd, *Secretary*

Robert J. “Bobby” Joslin

Joycelyn A. Stevenson, Esq.

Dr. Glenda B. Glover

Glenn Farner

EXECUTIVE STAFF

Douglas E. Kreulen, A.A.E., *President and Chief Executive Officer*

Adam R. Floyd, C.M., *Executive Vice President & Chief Operating Officer*

Margaret M. Basrai, CPA, CGMA, C.M., *Executive Vice President & Chief Financial Officer*

Robert L. Ramsey, P.E., A.A.E., IAP, *Executive Vice President & Chief Development Officer*

John A. Cooper, SPHR, *Executive Vice President & Chief Administrative Officer*

Eric L. Johnson, CCIM, C.M., *Executive Vice President & Chief Revenue Officer*

Lisa Lankford, A.A.E., *Executive Vice President & Chief Strategy Officer*

CONSULTANTS TO THE AUTHORITY

Airport Consultant

Landrum & Brown, Incorporated
Cincinnati, Ohio

Counsel to the Authority

Adams and Reese LLP
Nashville, Tennessee

Bond Counsel

Hawkins Delafield & Wood LLP
New York, New York

Disclosure Counsel

Kutak Rock LLP
Denver, Colorado

Municipal Advisor

PFM Financial Advisors LLC
Memphis, Tennessee

Verification Agent

The Arbitrage Group, Inc.
Buhl, Alabama



This Official Statement does not constitute a contract between the Authority or the Underwriters and any one or more owners of the Series 2026 Senior Bonds, nor does it constitute an offer to sell or the solicitation of an offer to buy the Series 2026 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 2026 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 2026 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 2026 Senior Bonds in accordance with applicable provisions of the securities laws of the states, if any, in which the Series 2026 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 2026 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 2026 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 2026 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.

TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
INTRODUCTION.....	1	Air Service Area	34
General	1	Airlines Serving the Airport	35
Authorization for the Series 2026 Senior Bonds.....	1	Airport's Role	36
The Authority, the Airport System and the Air Service		Summary of Common Indicators of Activity	38
Area	2	Enplaned Passenger Traffic.....	39
Purpose of the Series 2026 Senior Bonds	2	Enplaned Passenger Market Share	40
Authority's Capital Program.....	2	Landed Weight.....	41
Description of the Series 2026 Senior Bonds.....	4	SIGNATORY PASSENGER AIRLINE AGREEMENTS AND	
Security and Sources of Payment for the Series 2026		CERTAIN NON-AIRLINE AGREEMENTS	43
Senior Bonds	4	Signatory Passenger Airline Agreements	43
Existing Senior Bonds	4	Non-Signatory Airlines Rates and Charges.....	47
Existing Subordinate Bonds	5	Non-Airline Agreements.....	47
Other Subordinate Obligations	5	INFORMATION CONCERNING REVENUES AND CERTAIN	
Signatory Airline Use and Lease Agreements	6	FUNDING SOURCES.....	49
Continuing Disclosure	6	Airline Revenues.....	49
Report of the Airport Consultant	7	Non-Airline Revenue.....	50
Forward-Looking Statements	7	Federal and State Grants	51
Other Information.....	8	Passenger Facility Charges	52
PLAN OF FINANCE	8	Customer Facility Charges.....	53
General	8	Authority Funds	54
Projects in Authority's Capital Program to be Funded		AUTHORITY FINANCIAL INFORMATION	55
with Series 2026A/B Senior Bonds	9	Schedule of Revenues, Expenses and Changes in Net	
Refunding of Series 2015 Senior Bonds	10	Position	55
ESTIMATED SOURCES AND USES OF FUNDS.....	11	Analysis of Airport Financial Results	57
DESCRIPTION OF THE SERIES 2026 SENIOR BONDS.....	12	Senior and Subordinate Debt Service Coverage.....	62
General	12	Airline Cost Per Enplaned Passenger.....	63
Redemption Provisions.....	12	Available Funds for Operations and Debt Service	
Registration Provisions; Transfer and Exchange	16	(Days-Cash-On-Hand)	64
SECURITY AND SOURCES OF PAYMENT FOR THE SERIES		Fiscal Year 2026 Budget.....	64
2026 SENIOR BONDS	16	Pension and OPEB Plans	65
Pledge of Net Revenues.....	16	Insurance.....	65
Pledge of PFC Revenues to Senior Bonds and Other		AUTHORITY'S CAPITAL PROGRAM	66
Obligations	17	General	66
Limited Obligations.....	18	Implementation of Authority's Capital Program.....	67
Flow of Funds.....	18	Anticipated Funding Sources for Authority's Capital	
Airport Improvement Bond Reserve Fund.....	21	Program.....	68
Rate Covenant	21	Airport Projects Not Included in Authority's Capital	
Additional Indebtedness	22	Program.....	69
Events of Default and Remedies.....	22	REPORT OF THE AIRPORT CONSULTANT AND RATE	
AMENDMENTS TO SENIOR BOND RESOLUTION.....	23	COVENANT PROJECTIONS.....	69
General	23	General	69
Changes to Which the Holders of the Series 2026		Projected Debt Service Coverage and Cost Per	
Senior Bonds Are Deemed to Be Consenting But		Enplaned Passenger.....	70
Which Will Be Effective Only When the Series		AUTHORITY SUSTAINABILITY AND SMALL BUSINESS	
2003B Senior Bonds Are No Longer Outstanding		DEVELOPMENT EFFORTS	71
(July 1, 2033).....	23	Sustainability Efforts	71
Changes to Which the Holders of the Series 2026		Small Business Development Efforts.....	73
Senior Bonds Are Deemed to Be Consenting But		CERTAIN INVESTMENT CONSIDERATIONS.....	74
Which Will Be Effective Only When the Series		Series 2026 Senior Bonds are Special Limited	
2003B Senior Bonds and Series 2015 Senior		Obligations.....	74
Bonds Are No Longer Outstanding (July 1, 2045).....	24	Factors Affecting the Airline Industry	74
OUTSTANDING AUTHORITY OBLIGATIONS	24	Southwest Airlines - The Airport's Largest Carrier	78
Existing Senior Bonds	24	Bankruptcy by Airlines and Concessionaires	78
Existing Subordinate Bonds and Other Subordinate		Aviation Security and Safety Concerns.....	79
Obligations	25	Cyber and Data Security	80
Anticipated Future Borrowing.....	26	National Air Traffic Capacity	81
DEBT SERVICE REQUIREMENTS	26	Capacity of the Airport; Cost and Schedule of	
THE METROPOLITAN NASHVILLE AIRPORT		Authority's Capital Program	81
AUTHORITY.....	28	Regulations and Restrictions Affecting the Airport.....	82
General	28	Passenger Facility Charges	82
Board of Commissioners	28	Federal Funding	83
Administration.....	28	Technological Innovations in Ground Transportation.....	85
MNA Properties Corporation.....	29	Climate Change Issues and Possible New Regulations	85
Employee Relations.....	30	Potential Limitation of Tax Exemption of Interest on	
THE AIRPORT SYSTEM	30	Series 2026 Senior Bonds	85
Nashville International Airport.....	30	Assumptions in the Report of the Airport Consultant	86
John C. Tune Airport.....	30	Forward-Looking Statements.....	86
NASHVILLE INTERNATIONAL AIRPORT.....	31	AIRLINE AND AIRLINE INDUSTRY INFORMATION.....	86
Current Airport Facilities.....	31	LITIGATION	87

	<u>Page</u>
TAX MATTERS.....	87
Opinion of Bond Counsel	87
Certain Ongoing Federal Tax Requirements and Covenants	88
Certain Collateral Federal Tax Consequences	88
Original Issue Discount	88
Bond Premium.....	89
Information Reporting and Backup Withholding.....	89
Miscellaneous.....	90
CONTINUING DISCLOSURE	90
LEGAL MATTERS	90
FINANCIAL STATEMENTS.....	91
MUNICIPAL ADVISOR	91
RATINGS	92
VERIFICATION OF MATHEMATICAL COMPUTATIONS ..	92
UNDERWRITING.....	92
DISCLOSURE OF MULTIPLE ROLES	94
MISCELLANEOUS.....	94
AUTHORIZATION OF OFFICIAL STATEMENT	95
 APPENDIX A	 REPORT OF THE AIRPORT CONSULTANT
APPENDIX B	ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024
APPENDIX C	SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION
APPENDIX D	SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE BOND RESOLUTION
APPENDIX E	SUMMARY OF CERTAIN PROVISIONS OF THE SIGNATORY AIRLINE USE AND LEASE AGREEMENTS
APPENDIX F	FORMS OF OPINIONS OF BOND COUNSEL
APPENDIX G	FORM OF CONTINUING DISCLOSURE AGREEMENT
APPENDIX H	BOOK-ENTRY ONLY SYSTEM

[PAGE INTENTIONALLY LEFT BLANK]

OFFICIAL STATEMENT

relating to

\$1,267,440,000

METROPOLITAN NASHVILLE AIRPORT AUTHORITY

\$459,790,000

**Airport Improvement Revenue Bonds,
Series 2026A (Non-AMT)**

\$661,815,000

**Airport Improvement Revenue Bonds,
Series 2026B (AMT)**

\$65,950,000

**Airport Improvement Revenue Bonds,
Refunding Series 2026C (Non-AMT)**

\$79,885,000

**Airport Improvement Revenue Bonds,
Refunding Series 2026D (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) \$459,790,000 in aggregate principal amount of its Airport Improvement Revenue Bonds, Series 2026A (Non-AMT) (the “Series 2026A Senior Bonds”), (ii) \$661,815,000 in aggregate principal amount of its Airport Improvement Revenue Bonds, Series 2026B (AMT) (the “Series 2026B Senior Bonds”), (iii) \$65,950,000 in aggregate principal amount of its Airport Improvement Revenue Bonds, Refunding Series 2026C (Non-AMT) (the “Series 2026C Senior Bonds”), and (iv) \$79,885,000 in aggregate principal amount of its Airport Improvement Revenue Bonds, Refunding Series 2026D (AMT) (the “Series 2026D Senior Bonds,” and collectively with the Series 2026A Senior Bonds, the Series 2026B Senior Bonds and the Series 2026C Senior Bonds, the “Series 2026 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 pages 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 2026 Senior Bonds to potential investors is made only by means of the entire Official Statement, including the appendices attached hereto.

Authorization for the Series 2026 Senior Bonds

The Series 2026 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-Second Supplemental Resolution

adopted by the Board on October 15, 2025 (the “Twenty-Second 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 Nashville International Airport (the “Airport”) and 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 2026 Senior Bonds

The Series 2026 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’s Capital Program (as defined herein); (b) pay a portion of the amounts outstanding under the Note Purchase Agreement (as defined herein); (c) refund and defease all of the Senior Series 2015 Bonds (as defined herein); (d) fund capitalized interest on the Series 2026A Senior Bonds and the Series 2026B Senior Bonds (collectively, the “Series 2026A/B Senior Bonds”); (e) 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 (f) pay certain costs of issuance related to the Series 2026 Senior Bonds. See “PLAN OF FINANCE,” “ESTIMATED SOURCES AND USES OF FUNDS,” and “AUTHORITY’S CAPITAL PROGRAM” herein.

Authority’s Capital Program

Between Fiscal Year 2012 and 2017, annual enplaned passengers at the Airport increased by approximately 39% from approximately 4.9 million to 6.8 million. In response to this growth, the Authority began developing a capital program in 2017 to enhance the capacity of Airport facilities and meet the growing demand for Airport gates, known as the “BNA Vision.” As air traffic continued to increase dramatically during the planning and implementation of BNA Vision, the Authority began undertaking a new capital initiative, known as “New Horizon,” which includes additional expansion projects to accommodate future demand beyond what was contemplated when BNA Vision was developed.

BNA Vision had a budget of approximately \$1.53 billion and the actual total cost of BNA Vision was approximately \$1.48 billion (approximately \$57.1 million below budget). BNA Vision includes, among other projects: (i) construction of Terminal Garage 1 (as defined herein) and Terminal Garage 2 (as defined herein); (ii) construction of the Grand Plaza and Authority administration building; (iii) construction of the Grand Lobby and international arrivals facility with six new T-Gates; (iv) reconstruction and expansion of Concourse D to accommodate six additional aircraft gates, which also includes the construction of a new central utility plant; (v) construction of an 8-gate satellite concourse (the “Satellite Concourse”); and construction of certain airfield and roadway improvements. Nearly all of the projects in BNA Vision have been completed and all are fully funded. The environmental assessment, property acquisition and the design work of a potential future extension of Runway 2L-20R, estimated to cost approximately \$15.0 million, is the only remaining project in BNA Vision to be completed. None of the proceeds of the Series 2026 Senior Bonds will be used to finance projects in BNA Vision.

New Horizon has a total estimated cost of approximately \$2.96 billion, and is divided into New Horizon I, which comprises airside projects and has a total estimated cost of approximately \$1.62 billion, and New Horizon II, which comprises landside projects and has an estimated cost of approximately \$1.34 billion. New Horizon I includes, among other projects: (i) the Concourse D Extension, which opened on July 8, 2025 and expanded Concourse D from 6 gates to 11 gates; (ii) the Concourse A Reconstruction project, which consists of the complete demolition of the existing Concourse A and the reconstruction of a new 374,000 square foot Concourse A with 16 gates and certain improvements to the main terminal building, including 24 additional ticket counters (demolition of the existing Concourse A is currently in progress); (iii) improvements to the existing baggage handling system (the initial phases of the improvements are currently in progress); and (iv) expansion of the Central Ramp (project is currently in progress). New Horizon II includes, among other projects: (a) roadway projects (project is currently in progress); and (b) the construction of a new consolidated rental car facility (project is currently in the planning stage), a new parking garage (project is currently in the planning stage) and a new surface parking lot to be used for employee parking and valet parking overflow (project is currently in progress).

In addition to BNA Vision and New Horizon, the Authority maintains an ongoing capital improvement plan (the “CIP,” and collectively with BNA Vision and New Horizon, the “Authority’s Capital Program”) 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 projects in the current 5-year CIP include various concourse upgrades, deicing improvements, taxiway improvements, construction of office space on the mezzanine level of the main terminal building, and the relocation and consolidation of certain Airport facilities including construction of a new operations and data center and a new maintenance complex. As of the date of this Official Statement, the projects in the CIP are estimated to cost approximately \$927.6 million, which includes expenditures that were incurred prior to Fiscal Year 2026 (\$30.2 million) and expenditures that are expected to be incurred between Fiscal Year 2026 and Fiscal Year 2032 (\$897.4 million).

A portion of the proceeds of the Series 2026A/B Senior Bonds (approximately \$1.026 billion) will be used to pay a portion of the costs of projects included in New Horizon and the CIP and to repay a portion of the amounts outstanding under the Note Purchase Agreement (which amounts drawn under the Note Purchase Agreement were previously used to pay for costs of projects included in New Horizon and the CIP). The Authority expects to issue Additional Senior Bonds and/or Additional Subordinate Bonds in Fiscal Years 2027 and 2029 to finance approximately \$769.9 million and \$467.4 million, respectively, of additional costs of projects in New Horizon and the CIP. See “PLAN OF FINANCE – Projects in Authority’s Capital Program to be Funded with Series 2026A/B Senior Bonds.”

See “AUTHORITY’S CAPITAL PROGRAM” and “APPENDIX A – REPORT OF THE AIRPORT CONSULTANT” for additional information on BNA Vision, New Horizon and the CIP.

Description of the Series 2026 Senior Bonds

The Series 2026 Senior Bonds are being issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof (“Authorized Denominations”) 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 2026 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 2026 Senior Bonds so purchased. Payments of principal of and interest on any Series 2026 Senior Bond will be made to Cede & Co., as nominee for DTC as registered owner of the Series 2026 Senior Bonds, by U.S. Bank Trust Company, National Association, as bond registrar and paying agent for the Series 2026 Senior Bonds, to be subsequently disbursed to the Beneficial Owners (as defined herein) of the Series 2026 Senior Bonds. See “DESCRIPTION OF THE SERIES 2026 SENIOR BONDS – General” and “APPENDIX H – BOOK-ENTRY ONLY SYSTEM.”

Interest on the Series 2026 Senior Bonds will be payable semiannually on January 1 and July 1 of each year, commencing July 1, 2026. The Series 2026 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 pages of this Official Statement.

The Series 2026 Senior Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as more fully described under “DESCRIPTION OF THE SERIES 2026 SENIOR BONDS – Redemption Provisions.”

Security and Sources of Payment for the Series 2026 Senior Bonds

The Senior Bonds, including the Series 2026 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 2026 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 2026 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 2026 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

Pursuant to the Senior Bond Resolution, the Authority has previously issued and, as of December 1, 2025, there were five series of Senior Bonds outstanding, 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”), (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”), (iv) Airport Improvement Revenue Bonds, Series 2022A (Non-AMT) (the “Series 2022A Senior Bonds”), and (v) Airport Improvement Revenue Bonds, Series 2022B Bonds (AMT) (the “Series 2022B Senior Bonds,” and together with the Series 2022A Senior Bonds, the “Series 2022 Senior Bonds”). The Series 2003B Senior Bonds, the Series 2015 Senior Bonds and the Series 2022 Senior Bonds, are collectively referred to herein as the “Existing Senior Bonds”). As of December 1, 2025, the Existing Senior Bonds were outstanding in the aggregate principal amount of \$770,515,000. 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 2026 Senior Bonds and the Existing Senior Bonds. See “PLAN OF FINANCE – Refunding of Series 2015 Senior Bonds” for information with respect to the Authority’s plan to refund and defease all of the Series 2015 Senior Bonds with a portion of the proceeds of the Series 2026C Senior Bonds and the Series 2026D 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

Pursuant to Resolution No. 2019-15 adopted by the Board on October 16, 2019, as amended and supplemented from time to time (the “Subordinate Bond Resolution”), the Authority has previously issued and, as of December 1, 2025, there were two series of Subordinate Bonds outstanding, including its (i) Subordinate Airport Revenue Bonds, Series 2019A (Non-AMT) (the “Series 2019A Subordinate Bonds”), and (ii) 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 December 1, 2025, the Existing Subordinate Bonds were outstanding in the aggregate principal amount of \$908,700,000. 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 Existing Subordinate Bonds, any Additional Subordinate Bonds and any Subordinate Refunding Bonds (collectively, the “Subordinate Bonds”) are secured by a pledge of and lien on Net 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 2026 Senior Bonds).

See “OUTSTANDING AUTHORITY OBLIGATIONS – Existing Subordinate Bonds and Other Subordinate Obligations – Existing Subordinate Bonds” 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 an Amended and Restated Note Purchase Agreement, dated October 30, 2024 (as amended, supplemented, restated or otherwise modified from time to time, the “Note Purchase Agreement”) which currently provides up to

\$400 million of interim financing capacity to fund, among other things, certain elements of the Authority's Capital Program. As of December 29, 2025, \$242.5 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 2026 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 current outstanding balance under the Note Purchase Agreement will be repaid with a portion of the proceeds of the Series 2026A/B Senior Bonds. Additionally, on or about the date of issuance of the Series 2026 Senior Bonds, the Authority expects to reduce the available commitment under the Note Purchase Agreement to approximately \$100 million, which will continue to be available to the Authority to provide a source of interim financing to fund, among other things, certain elements of the Authority's Capital Program.

See "OUTSTANDING AUTHORITY OBLIGATIONS – Existing Subordinate Bonds and Other Subordinate Obligations – Other Subordinate Obligations - 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."

Signatory Airline Use and Lease Agreements

The Authority has entered into substantially similar forms of Signatory Airline Use and Lease Agreements (the "Signatory Passenger Airline Agreements") with the Signatory Passenger Airlines (as defined below) effective through June 30, 2031. The term of the Signatory Passenger Airline Agreements will automatically extend to June 30, 2033 if the new Concourse A is not open for use by the airlines by July 1, 2028. The Authority does not expect the new Concourse A to be open for use by the airlines by July 1, 2028 and is anticipating that the term of the Signatory Passenger Airline Agreements will automatically extend to June 30, 2033. 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 the Airport Facilities. Passenger airlines that have executed the Signatory Passenger Airline Agreements and their operating affiliates (collectively, the "Signatory Passenger Airlines") accounted for approximately 97% of enplaned passengers at the Airport in Fiscal Year 2025. See "SIGNATORY PASSENGER AIRLINE AGREEMENTS AND CERTAIN NON-AIRLINE AGREEMENTS – Signatory Passenger Airline Agreements" and "APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE SIGNATORY AIRLINE USE AND LEASE AGREEMENTS."

In addition to the Signatory Passenger Airlines, one cargo carrier (FedEx) has entered into a Signatory Airline Use and Lease Agreement with the Authority, which is substantially similar to the Signatory Passenger Airline Agreements. The Signatory Passenger Airlines and any cargo carriers that enter into a Signatory Airline Use and Lease Agreement with the Authority are collectively referred to herein as the "Signatory Airlines"; and the Signatory Passenger Airline Agreements and any Signatory Airline Use and Lease Agreement entered into between a cargo carrier and the Authority are collectively referred to herein as the "Signatory Airline Agreements."

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 2026 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 2026 Senior Bonds and the Airport for the benefit of the holders of the Series 2026 Senior Bonds. See “CONTINUING DISCLOSURE” and “APPENDIX G – FORM OF CONTINUING DISCLOSURE AGREEMENT.”

Report of the Airport Consultant

Landrum & Brown, Incorporated (the “Airport Consultant”) has prepared its report dated December 29, 2025 (the “Report of the Airport Consultant”) in connection with the issuance of the Series 2026A/B 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’s Capital Program, analyses of historical airline service and passenger traffic, analyses of historical Airport revenues and expenses, and financial projections 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 projection period of Fiscal Year 2026 through Fiscal Year 2032 (the “Projection Period”). For additional information on historical and projected 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 PROJECTIONS” 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, projections 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, forecasts and projections described in this Official Statement.

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 2026 Senior Bonds, the security and sources of payment for the Series 2026 Senior Bonds, the Senior Bond Resolution, the Subordinate Bond Resolution and the Signatory Airline Agreements. 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 Signatory Airline Agreements 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 2026 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 Signatory Airline Agreements 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, Executive Offices, 140 BNA Park Drive, Suite 520, Nashville, Tennessee 37214.

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 2026 Senior Bonds.

PLAN OF FINANCE

General

The Series 2026 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's Capital Program as more fully described below; (b) pay a portion of the amounts outstanding under the Note Purchase Agreement; (c) refund and defease all of the outstanding Series 2015 Senior Bonds; (d) fund capitalized interest on the Series 2026A/B Senior Bonds; (e) fund a deposit to the Airport Improvement Bond Reserve Fund to meet the Airport Improvement Bond Reserve Fund Requirement; and (f) pay certain costs of issuance related to the Series 2026 Senior Bonds, all as further described under "ESTIMATED SOURCES AND USES OF FUNDS" and "AUTHORITY'S CAPITAL PROGRAM."

[Remainder of page intentionally left blank]

Projects in Authority's Capital Program to be Funded with Series 2026A/B Senior Bonds

A portion of the proceeds of the Series 2026A/B Senior Bonds will be used to finance the costs of certain projects in the Authority's Capital Program as described below.

New Horizon Projects. The Authority expects to use approximately \$892.4 million of the proceeds of the Series 2026A/B Senior Bonds to finance or refinance all or a portion of the following projects included in New Horizon:

New Horizon Projects Being Financed with Proceeds of Series 2026A/B Senior Bonds (dollars in millions)

New Horizon Project	Total Project Cost	Costs Funded with Series 2026A/B Senior Bonds ⁽¹⁾⁽²⁾
Concourse A Reconstruction	\$839.2	\$442.7
Terminal Area Roadway Improvements (Phases 2 and 3)	298.1	100.0
Concourse D Extension	242.4	57.0
Central Ramp Expansion	239.6	131.2
Baggage Handling System Expansion	238.5	67.1
Northeast Surface Parking Lot	94.4	94.4
<i>Total</i>	<u>\$1,952.2</u>	<u>\$892.4</u>

⁽¹⁾ Estimated; subject to change.

⁽²⁾ Includes the repayment of a portion of the amounts outstanding under the Note Purchase Agreement.

Source: Metropolitan Nashville Airport Authority

CIP Projects. The Authority expects to use approximately \$133.5 million of the proceeds of the Series 2026A/B Senior Bonds to finance or refinance all or a portion of the following projects included in the CIP:

CIP Projects Being Financed with Proceeds of Series 2026A/B Senior Bonds (dollars in millions)

CIP Project	Total Project Cost	Costs Funded with Series 2026A/B Senior Bonds ⁽¹⁾⁽²⁾
Taxiway Reconstruction Projects	\$106.0	\$19.0
Runway and Taxiway Safety Area Improvements	72.8	37.8
Terminal Ramp Reconstruction Projects	50.0	30.0
Concourse Upgrades	36.4	16.7
Wildlife Fencing	20.0	20.0
Terminal Offices	10.0	10.0
<i>Total</i>	<u>\$295.2</u>	<u>\$133.5</u>

⁽¹⁾ Estimated; subject to change.

⁽²⁾ Includes the repayment of a portion of the amounts outstanding under the Note Purchase Agreement.

Source: Metropolitan Nashville Airport Authority

For additional information regarding the Authority's Capital Program, including estimated project costs and anticipated funding sources, which include proceeds of the Series 2026A/B Senior Bonds, see "AUTHORITY'S CAPITAL PROGRAM – Anticipated Funding Sources for Authority's Capital Program" and "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – 3. Airport Facilities and Capital Program – 3.3. Authority's Capital Program" and " – 3.4. Authority's Capital Program Plan of Finance."

Refunding of Series 2015 Senior Bonds

A portion of the proceeds of the Series 2026C Senior Bonds and the Series 2026D Senior Bonds, together with other available moneys contributed by the Authority, will be used to refund and defease all of the outstanding Series 2015 Senior Bonds. The following table details the Series 2015 Senior Bonds that will be refunded (the "Refunded Series 2015 Senior Bonds").

Refunded Series 2015 Senior Bonds						
Series	Maturity Date (July 1)	Outstanding Principal Amount	Principal Amount Redeemed	Interest Rate	CUSIP Number ⁽¹⁾	Redemption Date
2015A	2026	\$ 2,350,000	\$ 2,350,000	4.000%	592190LK6	02/04/2026
2015A	2027	2,440,000	2,440,000	4.000	592190LL4	02/04/2026
2015A	2028	2,540,000	2,540,000	5.000	592190LM2	02/04/2026
2015A	2029	2,665,000	2,665,000	5.000	592190LN0	02/04/2026
2015A	2030	2,800,000	2,800,000	5.000	592190LP5	02/04/2026
2015A	2031	2,940,000	2,940,000	5.000	592190LQ3	02/04/2026
2015A	2032	3,085,000	3,085,000	5.000	592190LR1	02/04/2026
2015A	2033	3,240,000	3,240,000	5.000	592190LS9	02/04/2026
2015A	2034	3,405,000	3,405,000	5.000	592190LT7	02/04/2026
2015A	2035	3,575,000	3,575,000	5.000	592190LU4	02/04/2026
2015A	2040	20,730,000	20,730,000	5.000	592190LV2	02/04/2026
2015A	2045	26,460,000	26,460,000	5.000	592190LW0	02/04/2026
2015B	2026	\$ 2,885,000	\$ 2,885,000	5.000%	592190MF6	02/04/2026
2015B	2027	3,030,000	3,030,000	5.000	592190MG4	02/04/2026
2015B	2028	3,180,000	3,180,000	5.000	592190MH2	02/04/2026
2015B	2029	3,340,000	3,340,000	5.000	592190MJ8	02/04/2026
2015B	2030	3,505,000	3,505,000	5.000	592190MK5	02/04/2026
2015B	2031	3,680,000	3,680,000	5.000	592190ML3	02/04/2026
2015B	2032	3,865,000	3,865,000	5.000	592190MM1	02/04/2026
2015B	2033	4,060,000	4,060,000	5.000	592190MN9	02/04/2026
2015B	2034	4,260,000	4,260,000	5.000	592190MP4	02/04/2026
2015B	2035	4,475,000	4,475,000	5.000	592190MQ2	02/04/2026
2015B	2040	23,525,000	23,525,000	5.000	592190MR0	02/04/2026
2015B	2043	17,130,000	17,130,000	5.000	592190MT6	02/04/2026
2015B	2045	12,825,000	12,825,000	3.875	592190MS8	02/04/2026

Total Refunded Amount: \$165,990,000

⁽¹⁾ CUSIP numbers are provided only for the convenience of the reader. Neither the Authority nor the Underwriters undertake any responsibility for the accuracy of such CUSIP numbers or for any changes or errors in the list of CUSIP numbers.

A portion of the proceeds of the Series 2026C Senior Bonds and the Series 2026D Senior Bonds, together with other available moneys to be contributed by the Authority, will be used on February 4, 2026 to pay the redemption price of and accrued interest on the Refunded Series 2015 Senior Bonds.

Upon delivery of the Series 2026 Senior Bonds, The Arbitrage Group, Inc. (the “Verification Agent”), will deliver a report stating that it has verified the mathematical accuracy of the computations contained in the provided schedules that the proceeds of the Series 2026C Senior Bonds and the Series 2026D Senior Bonds and the other available moneys to be contributed by the Authority will be sufficient to pay the redemption price of and accrued interest on the Refunded Series 2015 Senior Bonds on February 4, 2026. See “VERIFICATION OF MATHEMATICAL COMPUTATIONS.”

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Series 2026 Senior Bonds and certain moneys to be contributed by the Authority are expected to be applied as follows:

	Series 2026A Senior Bonds	Series 2026B Senior Bonds	Series 2026C Senior Bonds	Series 2026D Senior Bonds	Total
Sources of Funds:					
Principal Amount	\$459,790,000.00	\$661,815,000.00	\$65,950,000.00	\$79,885,000.00	\$1,267,440,000.00
Original Issue Premium	37,335,419.35	44,461,722.45	8,161,734.30	7,263,529.25	97,222,405.35
Other Moneys Contributed by Authority	—	—	8,808,596.75	10,512,893.00	19,321,489.75
Total Sources of Funds	<u>\$497,125,419.35</u>	<u>\$706,276,722.45</u>	<u>\$82,920,331.05</u>	<u>\$97,661,422.25</u>	<u>\$1,383,983,895.10</u>
Uses of Funds:					
Deposit to Construction Fund ⁽¹⁾	\$307,352,870.95	\$482,056,584.73	\$ —	\$ —	\$789,409,455.68
Repayment of Amounts Outstanding Under the Note Purchase Agreement	134,959,840.55	101,426,303.27	—	—	236,386,143.82
Redemption of Refunded Series 2015 Senior Bonds	—	—	76,574,996.67	90,158,174.22	166,733,170.89
Capitalized Interest ⁽²⁾	21,487,613.14	75,462,285.84	—	—	96,949,898.98
Deposit to Airport Improvement Bond Reserve Fund	31,744,607.79	45,100,243.68	6,113,600.08	7,229,718.78	90,188,170.33
Costs of Issuance ⁽³⁾	<u>1,580,486.92</u>	<u>2,231,304.93</u>	<u>231,734.30</u>	<u>273,529.25</u>	<u>4,317,055.40</u>
Total Uses of Funds	<u>\$497,125,419.35</u>	<u>\$706,276,722.45</u>	<u>\$82,920,331.05</u>	<u>\$97,661,422.25</u>	<u>\$1,383,983,895.10</u>

⁽¹⁾ See “PLAN OF FINANCE – Projects in Authority’s Capital Program to be Funded with Series 2026A/B Senior Bonds,” “AUTHORITY’S CAPITAL PROGRAM – Anticipated Funding Sources for Authority’s Capital Program” and “APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – 3. Airport Facilities and Capital Program – 3.3. Authority’s Capital Program” and “– 3.4. Authority’s Capital Program Plan of Finance” for additional information on the projects in the Authority’s Capital Program to be funded with proceeds of the Series 2026A/B Senior Bonds.

⁽²⁾ Represents a portion of the interest accruing on the Series 2026A Senior Bonds through July 1, 2028 and on the Series 2026B Senior Bonds through January 1, 2029.

⁽³⁾ Includes, among other things, underwriters’ discount, legal and other consultant fees, initial fees of the registrar and paying agent, if applicable, rating agency fees, printing costs, fees of the Verification Agent, municipal advisory and other miscellaneous fees and costs with respect to the Series 2026 Senior Bonds.

DESCRIPTION OF THE SERIES 2026 SENIOR BONDS

General

The Series 2026 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 2026 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, 2026, and accrues from the dated date of the Series 2026 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 2026 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 DTC. Purchases of beneficial ownership interests in the Series 2026 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 2026 Senior Bonds so purchased. Payments of principal of and interest on the Series 2026 Senior Bond will be made to Cede & Co., as nominee for DTC as registered owner of the Series 2026 Senior Bonds, by U.S. Bank Trust Company, National Association, as bond registrar and paying agent for the Series 2026 Senior Bonds (the “Paying Agent”), to be subsequently disbursed to the Beneficial Owners of the Series 2026 Senior Bonds. See “APPENDIX H – BOOK-ENTRY ONLY SYSTEM.”

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 2026A Senior Bonds maturing on or before July 1, 2035 are not subject to redemption prior to maturity. The Series 2026A Senior Bonds maturing on and after July 1, 2036, are subject to redemption prior to maturity, at the option of the Authority, on and after January 1, 2036, 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 2026A Senior Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption.

Except as otherwise set forth below, the Series 2026B Senior Bonds maturing on or before July 1, 2035 are not subject to redemption prior to maturity. The Series 2026B Senior Bonds maturing on and after July 1, 2036, are subject to redemption prior to maturity, at the option of the Authority, on and after January 1, 2036, 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 2026B Senior Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption.

Except as otherwise set forth below, the Series 2026C Senior Bonds maturing on or before July 1, 2035 are not subject to redemption prior to maturity. The Series 2026C Senior Bonds maturing on and after July 1, 2036, are subject to redemption prior to maturity, at the option of the Authority, on and after January 1, 2036, 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 2026C Senior Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption.

Except as otherwise set forth below, the Series 2026D Senior Bonds maturing on or before July 1, 2035 are not subject to redemption prior to maturity. The Series 2026D Senior Bonds maturing on and after July 1, 2036, are subject to redemption prior to maturity, at the option of the Authority, on and after January 1, 2036, 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 2026D Senior Bonds to be redeemed, together with interest accrued thereon to the date fixed for redemption.

Mandatory Sinking Fund Redemption. The Series 2026A Senior Bonds maturing on July 1, 2051 (the “Series 2026A Senior Term Bonds (2051)”) 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 2026A Senior Term Bonds (2051) on the sinking fund payment dates as set forth below.

Sinking Fund Payment Date (July 1)	Principal Amount
2047	\$18,935,000
2048	19,890,000
2049	20,880,000
2050	21,925,000
2051 [†]	23,020,000

[†] Final Maturity.

The Series 2026A Senior Bonds maturing on July 1, 2056 and bearing interest at a rate of 5.000% (the “Series 2026A Senior Term Bonds (2056-5.000%)”) 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 2026A Senior Term Bonds (2056-5.000%) on the sinking fund payment dates as set forth below.

Sinking Fund Payment Date (July 1)	Principal Amount
2052	\$15,115,000
2053	15,890,000
2054	16,710,000
2055	17,580,000
2056 [†]	18,490,000

[†] Final Maturity.

The Series 2026A Senior Bonds maturing on July 1, 2056 and bearing interest at a rate of 5.250% (the “Series 2026A Senior Term Bonds (2056-5.250%),” and collectively with the Series 2026A Senior Term Bonds (2051) and the Series 2026A Senior Term Bonds (2056-5.000%), the “Series 2026A 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 2026A Senior Term Bonds (2056-5.250%) on the sinking fund payment dates as set forth below.

Sinking Fund Payment Date (July 1)	Principal Amount
2052	\$ 9,050,000
2053	9,505,000
2054	9,980,000
2055	10,470,000
2056 [†]	10,995,000

[†] Final Maturity.

The Series 2026B Senior Bonds maturing on July 1, 2051 (the “Series 2026B Senior Term Bonds (2051)”) 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 2026B Senior Term Bonds (2051) on the sinking fund payment dates as set forth below.

Sinking Fund Payment Date (July 1)	Principal Amount
2047	\$27,085,000
2048	28,505,000
2049	30,010,000
2050	31,580,000
2051 [†]	33,240,000

[†] Final Maturity.

The Series 2026B Senior Bonds maturing on July 1, 2056 and bearing interest at a rate of 5.250% (the “Series 2026B Senior Term Bonds (2056-5.250%)”) 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 2026B Senior Term Bonds (2056-5.250%) on the sinking fund payment dates as set forth below.

Sinking Fund Payment Date (July 1)	Principal Amount
2052	\$16,970,000
2053	17,910,000
2054	18,900,000
2055	19,940,000
2056 [†]	21,040,000

[†] Final Maturity.

The Series 2026B Senior Bonds maturing on July 1, 2056 and bearing interest at a rate of 5.500% (the “Series 2026B Senior Term Bonds (2056-5.500%),” and collectively with the Series 2026B Senior Term Bonds (2051) and the Series 2026B Senior Term Bonds (2056-5.250%), the “Series 2026B 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 2026B Senior Term Bonds (2056-5.500%) on the sinking fund payment dates as set forth below.

Sinking Fund Payment Date (July 1)	Principal Amount
2052	\$18,010,000
2053	18,955,000
2054	19,945,000
2055	20,995,000
2056 [†]	22,095,000

[†] Final Maturity.

In lieu of the redemption of the Series 2026A Senior Term Bonds or the Series 2026B Senior Term Bonds (collectively, the “Series 2026 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 2026 Senior Term Bonds, the Authority may apply Series 2026 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 2026 Senior Term Bonds in term form to the purchase of Series 2026 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 2026 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 2026 Senior Term Bonds so purchased; provided, however, that no Series 2026 Senior Term Bonds shall be purchased during the interval between the date on which notice of redemption of said Series 2026 Senior Term Bonds from sinking fund installments is given and the date of redemption set forth in such notice, unless the Series 2026 Senior Term Bonds so purchased are Series 2026 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 2026 Senior Term Bonds. Any purchase of Series 2026 Senior Term Bonds may be made with or without tenders of Series 2026 Senior Term Bonds and at either public or private sale. All Series 2026 Senior Term Bonds purchased or redeemed shall be cancelled and not reissued.

Extraordinary Optional Redemption of the Series 2026 Senior Bonds. The Series 2026 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 2026 Senior Bonds to be Redeemed. Principal of the Series 2026 Senior Bonds may be redeemed in part only in Authorized Denominations. If a Series 2026 Senior Bond subject to redemption is in a denomination larger than the initial Authorized Denomination, a portion of such Series 2026 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 2026 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 2026 Senior Bonds to be redeemed. See “APPENDIX H – BOOK-ENTRY ONLY SYSTEM.”

Notice of Redemption. Notice of redemption of the Series 2026 Senior Bonds shall be mailed not less than 30 days or more than 60 days prior to the redemption date of any Series 2026 Senior Bond, by first class mail, postage prepaid, to the holder of such Series 2026 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 2026 Senior Bonds called for redemption, the notice of redemption shall state that the redemption of such Series 2026 Senior Bonds is conditional and subject to deposit of moneys with the Paying Agent sufficient to redeem all such Series 2026 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 2026 Senior Bonds for which moneys are not on deposit. Furthermore, 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 2026 Senior Bonds called for redemption on such date, the Paying Agent shall redeem and pay on such date an amount of such Series 2026 Senior Bonds for which such moneys or other available funds are sufficient, selecting the maturities of Series 2026 Senior Bonds to be redeemed and Series 2026 Senior Bonds within a maturity to be redeemed by lot.

Registration Provisions; Transfer and Exchange

The Series 2026 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 2026 Senior Bonds. Purchases by Beneficial Owners of the Series 2026 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 2026 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.”

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 SENIOR BONDS

Brief descriptions of the security and source of payment for the Series 2026 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 2026 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, (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 a portion of the Debt Service on the Series 2015 Senior Bonds and has been paying and intends to continue to pay a portion of the Debt Service on the Series 2019B Subordinate Bonds and the Series 2022 Senior Bonds from available PFC Revenues, and also intends to pay a portion of the Debt Service on the Series 2026 Senior Bonds related to the portion of the proceeds of the Series 2026 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 2026 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 2026 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.

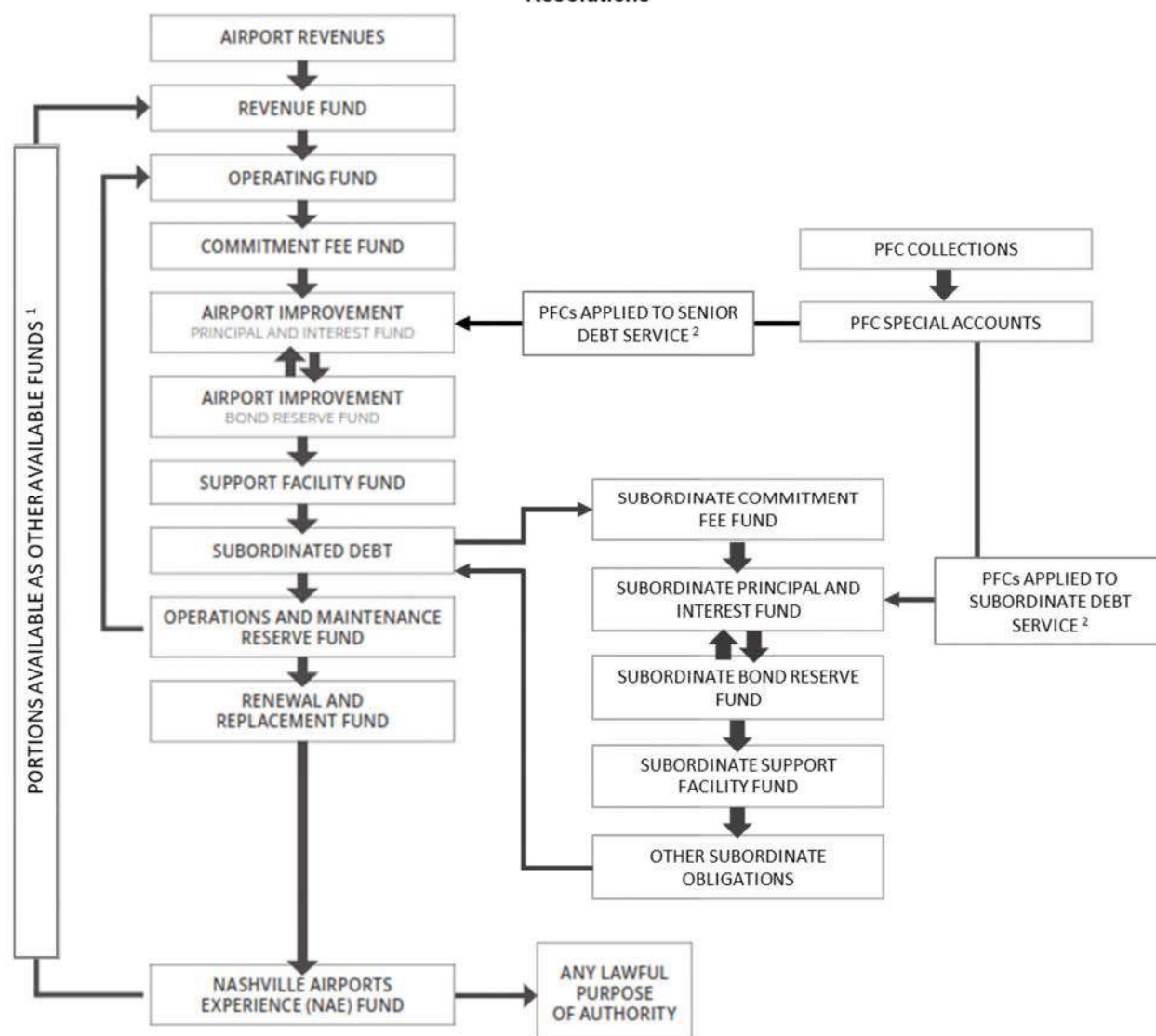
(l) Maintain the amount required to be on deposit in the Renewal and Replacement Fund.

(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 2026 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.

Flow of Funds Under Senior and Subordinate Resolutions



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.

Notwithstanding the prior paragraph, the Senior Bond Resolution allows the Authority to establish one account for one or more Series of Senior Bonds in the Airport Improvement Bond Reserve Fund. At the time of issuance of the Series 2022 Senior Bonds, the Authority created and established the “Bond Reserve Account, Common Reserve Bonds” in the Airport Improvement Bond Reserve Fund which secures the payment of the principal of and interest on the “Common Reserve Bonds” if there are insufficient moneys in the Airport Improvement Principal and Interest Fund to pay the principal of and interest on the Common Reserve Bonds. Common Reserve Bonds are those Senior Bonds that are designated as such in a Supplemental Resolution. The Authority has designated the Series 2026 Senior Bonds and the Series 2022 Senior Bonds as Common Reserve Bonds.

Unless otherwise provided in a Supplemental Resolution, the Airport Improvement Bond Reserve Fund Requirement for the Common Reserve Bonds, including the Series 2026 Senior Bonds, shall be the lesser of (a) the greatest amount of principal and interest payable on the Common Reserve Bonds, including the Series 2026 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 2026 Senior Bonds, or (c) 10% of the proceeds of the Common Reserve Bonds, including the Series 2026 Senior Bonds. At the time of issuance of the Series 2026 Senior Bonds, the Airport Improvement Bond Reserve Fund Requirement for the Common Reserve Bonds will be equal to \$131,038,800. At the time of issuance of the Series 2026 Senior Bonds, a portion of the proceeds of the Series 2026 Senior Bonds will be deposited to the Bond Reserve Account, Common Reserve Bonds in the Airport Improvement Bond Reserve Fund, and along with all other amounts on deposit in Bond Reserve Account, Common Reserve Bonds in the Airport Improvement Bond Reserve Fund, 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 2026 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 2026 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 2026 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 2026 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 2026 Senior Bonds, by acceptance of their respective Series 2026 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 (current final maturity July 1, 2033); 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 were made to the Senior Bond Resolution in the Nineteenth Supplemental Resolution adopted by the Board on October 21, 2015 (the "Nineteenth Supplemental Resolution") in connection with the issuance of the Series 2015 Senior Bonds and in the Twentieth Supplemental Resolution adopted by the Board on October 16, 2019 (the "Twentieth Supplemental Resolution") in connection with the issuance of the Series 2019 Subordinate Bonds. These amendments are set forth under "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR BOND RESOLUTION."

Changes to Which the Holders of the Series 2026 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 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 (current final maturity 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 2026 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 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 (current final maturity July 1, 2033)” 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. As described under “PLAN OF FINANCE – Refunding of Series 2015 Senior Bonds,” the Authority will redeem all of the outstanding Series 2015 Senior Bonds on the date of issuance of the Series 2026 Senior Bonds. The Authority does not currently expect to seek the consents of the Bondholders of the Series 2003B Senior Bonds; and, therefore, the 2045 Amendments are expected to take effect upon the final payment of the Series 2003B Senior Bonds, which is July 1, 2033.

OUTSTANDING AUTHORITY OBLIGATIONS

Existing Senior Bonds

The following table sets forth the Existing Senior Bonds that were Outstanding as of December 1, 2025. 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 2026 Senior Bonds.

**Existing Senior Bonds
(as of December 1, 2025)**

Series	Original Principal Amount	Outstanding Principal Amount	Final Maturity Date (July 1)
Airport Improvement Revenue Bonds, Series 2003B (Taxable)	\$ 19,585,000	\$ 8,440,000	2033
Airport Improvement Revenue Bonds, Series 2015A (Non-AMT) ⁽¹⁾⁽²⁾	91,855,000	76,230,000	2045
Airport Improvement Revenue Bonds, Series 2015B (AMT) ⁽¹⁾⁽²⁾	108,145,000	89,760,000	2045
Airport Improvement Revenue Bonds, Series 2022A (Non-AMT)	94,525,000	94,525,000	2052
Airport Improvement Revenue Bonds, Series 2022B (AMT)	<u>501,560,000</u>	<u>501,560,000</u>	2052
Total	<u>\$815,670,000</u>	<u>\$770,515,000</u>	

⁽¹⁾ A portion of the Series 2015 Senior Bonds and a portion of the Series 2022 Senior Bonds are being paid from available PFC Revenues as a result of a portion of the proceeds of the Series 2015 Senior Bonds and the Series 2022 Senior Bonds, respectively being used to fund PFC eligible projects. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 SENIOR BONDS – Pledge of PFC Revenues to Senior Bonds and Other Obligations” and “INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES – Passenger Facility Charges” herein.

⁽²⁾ See “PLAN OF FINANCE – Refunding of Series 2015 Senior Bonds” for a discussion of the refunding of all of the Series 2015 Senior Bonds.

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 December 1, 2025. 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 2026 Senior Bonds).

**Existing Subordinate Bonds
(as of December 1, 2025)**

Series	Original Principal Amount	Outstanding Principal Amount	Final Maturity Date (July 1)
Subordinate Airport Revenue Bonds, Series 2019A (Non-AMT)	\$254,435,000	\$251,470,000	2054
Subordinate Airport Revenue Bonds, Series 2019B (AMT) ⁽¹⁾	<u>665,150,000</u>	<u>657,230,000</u>	2054
Total	<u>\$919,585,000</u>	<u>\$908,700,000</u>	

⁽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 2026 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 2026 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 \$400 million (the “Available Commitment”) for interim financing of the Authority’s Capital Program. As of December 29, 2025, \$242.5 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 2026 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 current outstanding balance under the Note Purchase Agreement will be repaid from a portion of the proceeds of the Series 2026A/B Senior Bonds. Additionally, on or about the date of issuance of the Series 2026 Senior Bonds,

the Authority expects to reduce the Available Commitment under the Note Purchase Agreement to approximately \$100 million, which will continue to be available to the Authority to provide a source of interim financing to fund, among other things, certain elements of the Authority's 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 2027 and 2029 in the approximate principal amount of \$1.4 billion (the "Anticipated Future Bonds") to fund a portion of the costs of projects in New Horizon and certain other capital projects in the CIP. 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'S CAPITAL PROGRAM – Anticipated Funding Sources for Authority's Capital Program" and "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – 4. Financial Framework and Analysis – 4.10. The Series 2026 Senior New Money 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 (after the refunding of the Refunded Series 2015 Senior Bonds), the Series 2026 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.

[Remainder of page intentionally left blank]

Debt Service Requirements For Senior Bonds and Subordinate Bonds⁽¹⁾⁽²⁾

Fiscal Year	Total Debt Service on Existing Senior Bonds⁽³⁾⁽⁴⁾	Debt Service on Series 2026A Senior Bonds⁽⁴⁾⁽⁵⁾	Debt Service on Series 2026B Senior Bonds⁽⁴⁾⁽⁵⁾	Debt Service on Series 2026C Senior Bonds⁽⁴⁾	Debt Service on Series 2026D Senior Bonds⁽⁴⁾	Total Debt Service on Outstanding Senior Bonds⁽⁴⁾⁽⁵⁾	Total Debt Service on Existing Subordinate Bonds⁽⁶⁾⁽⁷⁾⁽⁸⁾	Total Aggregate Debt Service
2026	\$53,482,017	\$3,007,406	\$1,208,054	\$1,346,479	\$1,630,985	\$60,674,941	\$55,245,000	\$115,919,941
2027	43,445,649	10,491,838	3,517,175	5,537,500	7,014,250	70,006,411	55,243,250	125,249,661
2028	43,446,892	20,680,565	3,517,175	5,535,500	7,003,250	80,183,382	55,238,000	135,421,382
2029	43,437,118	30,974,500	44,127,921	5,533,000	6,990,250	131,062,789	55,233,000	186,295,789
2030	43,440,327	30,981,500	45,460,950	5,434,750	6,975,000	132,292,527	55,246,750	187,539,277
2031	43,444,222	30,978,500	45,459,950	5,435,250	6,967,250	132,285,172	55,231,750	187,516,922
2032	43,442,006	30,985,000	45,459,450	5,434,500	6,951,250	132,272,206	55,242,750	187,514,956
2033	43,442,494	30,989,500	45,462,950	5,432,250	6,652,000	131,979,194	55,236,750	187,215,944
2034	42,095,275	30,976,000	45,453,700	5,433,250	6,648,250	130,606,475	56,592,750	187,199,225
2035	42,083,175	30,979,250	45,455,700	5,437,000	6,650,500	130,605,625	56,590,750	187,196,375
2036	42,084,125	30,992,250	45,461,700	5,433,000	6,208,000	130,179,075	57,043,250	187,222,325
2037	42,088,900	30,978,250	45,464,700	5,436,250	6,212,500	130,180,600	57,030,250	187,210,850
2038	42,092,400	30,987,250	45,457,950	5,431,000	6,212,250	130,180,850	57,031,500	187,212,350
2039	42,091,900	30,986,750	45,454,950	5,437,250	6,212,000	130,182,850	57,033,750	187,216,600
2040	42,094,700	30,985,750	45,458,450	5,434,000	6,211,250	130,184,150	57,039,250	187,223,400
2041	42,082,550	30,982,750	45,465,950	5,436,250	6,209,500	130,177,000	57,040,000	187,217,000
2042	42,078,000	30,986,250	45,454,950	5,428,250	6,211,250	130,158,700	57,038,250	187,196,950
2043	42,082,225	30,979,250	45,458,950	5,435,000	6,210,750	130,166,175	57,036,000	187,202,175
2044	42,094,212.	30,980,500	45,459,700	5,435,250	6,212,500	130,182,162	57,030,000	187,212,162
2045	42,081,375	30,987,750	45,454,700	5,433,750	6,210,750	130,168,325	57,032,000	187,200,325
2046	42,071,350	30,988,750	45,451,450	—	—	118,511,550	69,935,650	188,447,200
2047	42,085,200	30,981,750	45,456,950	—	—	118,523,900	69,928,050	188,451,950
2048	42,077,675	30,990,000	45,454,987	—	—	118,522,662	69,935,300	188,457,962
2049	42,087,475	30,985,500	45,463,475	—	—	118,536,450	69,931,850	188,468,300
2050	42,078,750	30,986,500	45,457,950	—	—	118,523,200	69,928,500	188,451,700
2051	42,077,550	30,985,250	45,460,000	—	—	118,522,800	69,929,600	188,452,400
2052	42,083,250	30,979,250	45,454,900	—	—	118,517,400	69,927,550	188,444,950
2053	—	30,978,375	45,458,425	—	—	76,436,800	69,931,950	146,368,750
2054	—	30,979,862	45,455,625	—	—	76,435,487	69,921,250	146,356,738
2055	—	30,980,412	45,456,400	—	—	76,436,812	—	76,436,813
2056	—	30,986,737	45,454,825	—	—	76,441,562	—	76,441,563
Total	\$1,157,190,812	\$901,713,195	\$1,279,740,012	\$104,899,479	\$125,593,735	\$3,569,137,235	\$1,754,824,700	\$5,323,961,935

⁽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⁾ Includes debt service on the Existing Senior Bonds after the refunding of the Refunded Series 2015 Senior Bonds. See “PLAN OF FINANCE – Refunding of Series 2015 Senior Bonds” for a description of the refunding of all of the Series 2015 Senior Bonds.

⁽⁴⁾ A portion of the Series 2022 Senior Bonds and the Series 2026 Senior Bonds will be paid from available PFC Revenues. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 SENIOR BONDS – Pledge of PFC Revenues to Senior Bonds and Other Obligations” and “INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES – Passenger Facility Charges” herein.

⁽⁵⁾ Reflects debt service on the Series 2026A Senior Bonds and the Series 2026B Senior Bonds net of capitalized interest.

⁽⁶⁾ Reflects debt service on the Series 2019 Subordinate Bonds.

⁽⁷⁾ 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 2026 SENIOR BONDS – Pledge of PFC Revenues to Senior Bonds and Other Obligations” and “INFORMATION CONCERNING REVENUES AND CERTAIN FUNDING SOURCES – Passenger Facility Charges” herein.

⁽⁸⁾ 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. All new appointments and reappointments to the Board are for seven-year terms. 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.

In 2023, the State legislature passed a law that changed how the Board was to be appointed. Under the new law, each of the Governor of the State, the Lieutenant Governor of the State, the Speaker of the House of Representatives of the State and the Mayor of the Metropolitan Government would have appointed two members to the Board. The Metropolitan Government sued to block the new law, arguing that the new law was unconstitutional. In October 2023, the Chancery Court of the State agreed with the Metropolitan Government and ruled that the law was unconstitutional. The State appealed the Chancery Court's ruling, and, in April 2025, the Tennessee Court of Appeals affirmed the Chancery Court's ruling that the law was unconstitutional. The State appealed to the Tennessee Supreme Court, and on September 18, 2025, the Supreme Court agreed to hear the appeal. The State filed its opening brief on November 19, 2025 and the Metropolitan Government filed its response brief on December 17, 2025. The State filed its reply brief on January 16, 2026. The Tennessee Supreme Court has scheduled to hear oral arguments on February 12, 2026. The Authority cannot predict the ultimate outcome of this case.

Administration

Certain members of the executive staff of the Authority include the following people:

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.

Adam R. Floyd, C.M. Mr. Floyd serves as the Authority's Executive Vice President and Chief Operating Officer. Mr. Floyd joined the Authority in 2019. He oversees the operations, facilities maintenance, environmental and safety, public safety, information technology, and customer service departments for the Airport and the Reliever Airport. Prior to being promoted to Chief Operating Officer in 2024, Mr. Floyd served in several roles at the Authority: Vice President of Operations, Assistant Vice President of Operations, and Director of Emergency Management. He also has over two decades of service in the United States Coast Guard, where he led complex law enforcement, intelligence, and search and rescue operations. Mr. Floyd earned a Bachelor's degree in Intelligence Studies from American Public University and a Master's degree in Executive Leadership from Liberty University. He is a Certified Member (C.M.) of the American Association of Airport Executives.

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, payroll, budgeting and accounting, cash and investment strategy, debt management and issuance, insurance and risk management, CIP and grant financial administration, and oversight of airline rates and charges. She has 25 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.

Robert L. Ramsey, P.E., A.A.E., IAP. Mr. Ramsey serves as the Authority's Executive Vice President and Chief Development Officer. Mr. Ramsey joined the Authority in 2003. He oversees airport planning, capital development at the Airport and the Reliever Airport, including the New Horizon program and a potential future terminal to be constructed at the Airport known as "Terminal 2." Mr. Ramsey has played a key role in BNA Vision and New Horizon. Prior to taking on the role of Chief Development Officer, Mr. Ramsey served in several roles at the Authority: Executive Vice President and Chief Operating Officer, and Vice President and Chief Engineer. 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, Mr. Ramsey is a Professional Engineer (P.E.), and Accredited Airport Executive (A.A.E.), and an International Airport Professional (IAP).

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 YEARS ENDED JUNE 30, 2025 AND 2024."

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 Signatory Airline Agreements do not 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, 2025, the Authority employed 474 persons, with a full-time equivalent (FTE) of 474 positions. The Authority’s Fiscal Year 2026 budget provides for 539 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”) (the only large hub airport in the region). See “NASHVILLE INTERNATIONAL AIRPORT.”

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 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 that is 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 included, among other things: (i) expanding the ramp areas, which included aircraft tie down and parking pad 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. All of the improvements under the redevelopment plan have been completed. Additionally, a new traffic control tower opened in September 2021. The redevelopment improvements and the control tower cost approximately \$50.2 million and were 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 (Runway 2R-20L, Runway 2C-20C and Runway 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, the Airport’s longest runway, is 11,030 feet in length. All four runways are 150 feet wide and are equipped with high intensity runway lighting systems. Runways 2L-20R and 2R-20L are equipped with centerline lighting, and touchdown zone lights are installed at the ends of Runways 2L-20R and 2R-20L. Precision instrument landing systems were installed at the ends of each runway for approaches during instrument flight rules conditions with the exception of one end of Runway 2C-20C and one end of Runway 13-31. Existing runways have adequate capacity to meet projected operations throughout the foreseeable future.

Terminal Facilities.

Passenger Terminal Complex. The passenger terminal complex at the Airport consists of a main terminal building with four attached concourses (Concourses A, B, C and D) and one satellite concourse (the Satellite Concourse), covering over one million square feet of total space. As of the date of this Official Statement, only three of the attached concourses are in use. Concourse A has been closed and is currently being demolished and will be rebuilt with 16 gates, which is expected to open in 2028. The existing terminal complex and apron facilities currently provide for 54 gate positions and associated passenger waiting areas and security screening facilities. Of the 54 gate positions, six can accommodate international arrivals, and one gate position is used as a shuttle station to transport passengers and employees to and from the Satellite Concourse. The terminal apron is comprised of approximately 1.7 million square feet of pavement. For additional information regarding the passenger terminal complex, see “APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – 3. Airport Facilities and Capital Program – 3.1. Existing Airport Facilities – 3.1.2. Terminal Facilities.” Additionally, see “AUTHORITY’S CAPITAL PROGRAM” for a discussion of the Authority’s plans to construct additional gates as part of New Horizon.

Main Terminal. The main terminal building is divided into five levels: international arrivals and ground transportation (Level 1), the domestic arrivals level (Level 2), the departures level (Level 3),

mezzanine level (Level 4), and the walkway connecting the terminal complex to the Grand Plaza (Level 5). Level 1 accommodates international arrivals, with international baggage claims, customs and border protection space, and a tunnel welcoming international passengers to the United States. Level 1 also accommodates rental cars counters. Level 2 serves primarily as the arrivals hall with baggage claims, baggage makeup, airline baggage service offices, and check baggage inspection screening facilities. Level 3 provides passengers access to the grand lobby that includes the ticketing hall, the security checkpoint, the BNA Marketplace, six aircraft gates (T-Gates) that can accommodate international flights, and access to the four concourses (Concourse A is currently closed). Level 4 is a mezzanine level providing an overlook onto the grand lobby and includes available space above the BNA Marketplace, and is expected to be used for additional Authority offices as well as allowing for the development of future additional concessions or business center space. Level 5 connects the terminal complex to the Grand Plaza via a pedestrian bridge over the terminal roadways.

Concourses. The four concourses attached to the main terminal building are Concourse A, Concourse B, Concourse C, and Concourse D. Additionally, the Satellite Concourse is accessed by passengers and employees via a shuttle that runs between Concourse C and the Satellite Concourse. Concourse A (6 gates) has been closed for demolition as part of the Concourse A Reconstruction project (part of New Horizon). Upon completion of the Concourse A Reconstruction project, Concourse A is expected to contain 16 new aircraft gates, holdroom seating, and concessions. Concourse B contains ten aircraft gates, holdroom seating and concessions. Concourse C contains 19 gate positions (18 of which are used as aircraft gates and one that is used as a shuttle station to transport passengers and employees to and from the Satellite Concourse), holdroom seating, and concessions. Concourse D was reconstructed as part of BNA Vision to provide six aircraft gates, and was recently expanded from six to eleven aircraft gates as part of New Horizon and includes holdroom seating, concessions, and an outdoor terrace. The Satellite Concourse, completed as part of BNA Vision, contains eight aircraft gates, holdroom seating and concessions.

Grand Plaza. The Grand Plaza is located on Level 5 of the Terminal Garage 1 and is accessible from the pedestrian bridge from the terminal complex as well as the Terminal 1 Garage elevators. The Grand Plaza provides landscaped seating areas, children play areas, a dog park with relief area and hydration station, access to the Authority's 64,000 square foot administration office building, access to the Hilton Hotel that features 292 guest rooms, approximately 16,000 square feet of meeting space, and a rooftop pool and sky bar, and the Terminal 1 Garage. The Grand Plaza is also 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 is not included in the Authority's Capital Program.

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 15,550 public parking spaces offering various products to passengers. Terminal Garage 1 has approximately 4,300 covered public 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 public 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 1,300 public parking spaces and is within walking distance to the terminal. Economy Lot B is a surface lot consisting of 1,500 public parking spaces and offers shuttle service to the terminal approximately every ten minutes. The Economy Lot C has 3,600 surface public parking spaces and offers shuttle service to the terminal approximately every ten minutes. Valet parking pick-up and drop-off occurs on level 1 of Terminal Garage 1. Valet parking utilizes approximately 350 spaces in Terminal Garage 1,

approximately 1,100 spaces in a valet lot located off of Terminal Loop Road, as well as approximately 1,200 overflow spaces located south of the main terminal building along Donelson Pike formerly used for BNA Express Parking.

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 November 1, 2025¹**

Parking Facility	Daily Maximum Rate
Terminal Garages 1 and 2	\$33.00
Terminal Lot A	27.00
Economy Lot B	21.00
Economy Lot C	21.00
Valet Parking Service	45.00

¹ The Authority increased its daily parking rates on November 1, 2025. Prior to November 1, 2025, the daily parking rates were as follows: (i) Terminal Garages 1 and 2 - \$31.00; (ii) Terminal Lot A - \$21.00; (iii) Economy Lot B - \$21.00; (iv) Economy Lot C - \$21.00; and (v) Valet - \$41.00.

Source: Metropolitan Nashville Airport Authority.

To help reduce vehicle traffic congestion in the terminal area, a cell phone waiting lot is 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. The cell phone lot is located off Murfreesboro Pike.

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 – 3. Airport Facilities and Capital Program – 3.1. Existing Airport Facilities – 3.1.4. 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. Eleven rental car brands are currently offered at the CONRAC Facility: Advantage, 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.

New Horizon II includes the construction of a new consolidated rental car facility at the Airport. See "INTRODUCTION – Authority's Capital Program," "AUTHORITY'S CAPITAL PROGRAM," and

“APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – 3. Airport Facilities and Capital Program – 3.3. Authority’s Capital Program.”

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 and Prime Air. 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.

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 – 3. Airport Facilities and Capital Program – 3.1. Existing Airport Facilities – 3.1.7. 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 2024, with approximately 2.2 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 leisure and business destination for visitors and conventions. For a map of the Air Service Area, see “APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – 1. Role of the Airport and Economic Base for Air Traffic – 1.1. Role of the Airport – 1.1.2 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. Memphis International Airport is the second busiest airport in the State and is a small-hub airport located approximately 220 driving miles away. 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 – 1. 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 a low-cost carrier ("LCCs") and ultra low-cost carriers ("ULCCs") operate at the Airport. Southwest Airlines ("Southwest") is the dominant passenger airline at the Airport with a 53.7% share of enplanements for Fiscal Year 2025.

During the first ten months of calendar year 2025, the Airport had scheduled passenger service from eleven U.S. airlines (excluding regional affiliates) and nine foreign flag carriers with approximately 350 peak day scheduled departures from the Airport to 118 destinations (106 domestic and 12 international). In addition, there was cargo service provided by eight all-cargo airlines. The following table presents the passenger and all-cargo airlines that served the Airport during the first ten months of calendar year 2025.

[Remainder of page intentionally left blank]

**Passenger and All-Cargo Airlines Serving the Airport
(First Ten Months of Calendar Year 2025)**

Passenger Airlines			All-Cargo Airlines	
Signatory	Regional Affiliates⁽¹⁾	Non-Signatory	Signatory	Non-Signatory
Alaska Airlines	Commutair ⁽⁴⁾	Aer Lingus ⁽⁷⁾	FedEx ⁽⁸⁾	Airbourne Express
Allegiant Air ⁽²⁾	Contour Airlines	Air Canada/Jazz ⁽⁷⁾		Air Transport International
American Airlines	Endeavor Air ⁽⁵⁾	Air Canada Rogue ⁽⁷⁾		Amazon Prime
Delta Air Lines	Envoy ⁽⁶⁾	Air Georgian ⁽⁷⁾		Atlas Air
Frontier Airlines	GoJet Airlines ⁽⁴⁾	Avelo Airlines		DHL
JetBlue	Mesa Airlines ⁽⁴⁾	British Airways ⁽⁷⁾		Kalitta Air
Southwest Airlines	Republic Airways ^(4,5,6)	Icelandair ⁽⁷⁾		Mountain Air Cargo
Spirit Airlines ⁽³⁾	SkyWest Airlines ^(4,5,6)	Sun Country ⁽²⁾		
United Airlines	Vacation Express	VivaAerobus ⁽⁷⁾		
		WestJet ⁽⁷⁾		
		WestJet Encore ⁽⁷⁾		

- ⁽¹⁾ Subject to the provisions of the Signatory Passenger Airline Agreements, certain Signatory Passenger 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 Passenger Airline. See "APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE SIGNATORY AIRLINE USE AND LEASE AGREEMENTS."
- ⁽²⁾ On January 11, 2026, Allegiant Air and Sun Country Airlines entered into a merger agreement, pursuant to which, Allegiant will purchase Sun Country. The merger remains subject to federal regulatory approval. Upon successful completion of the merger, the combined airline is expected to operate under the Allegiant name.
- ⁽³⁾ On August 29, 2025, Spirit Airlines filed for Chapter 11 bankruptcy protection. Spirit Airlines previously filed for Chapter 11 bankruptcy protection in November 2024, and emerged from that bankruptcy reorganization in March 2025. Spirit Airlines continues to operate at the Airport as it reorganizes under bankruptcy protection.
- ⁽⁴⁾ Doing business as United Airlines.
- ⁽⁵⁾ Doing business as Delta Air Lines.
- ⁽⁶⁾ Doing business as American Airlines.
- ⁽⁷⁾ Foreign flag carriers.
- ⁽⁸⁾ FedEx has entered into a Signatory Airline Use and Lease Agreement with the Authority, which terms are substantially similar to the Signatory Passenger Airline Agreements. See "APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE SIGNATORY AIRLINE USE AND LEASE AGREEMENTS."

Source: Metropolitan Nashville Airport Authority.

For additional information regarding air service at the Airport, see "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – 2. 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 has maintained that classification into calendar year 2025. According to data

from the FAA, there was an increase of approximately 7.4% in enplaned passengers at the Airport for calendar year 2024 as compared to calendar year 2023, and the Airport maintained its ranking as the 28th busiest airport in the U.S. The Airport has been the fastest growing large-hub airport in the nation since calendar year 2019, with a 34.9% increase in enplaned passengers between calendar years 2019 and 2024. The following table presents the rankings of the top 31 U.S. airports in terms of total enplaned passengers per the FAA for calendar year 2024.

U.S. Large Hub Airports Ranked by Enplaned Passengers (Calendar Years 2019 and 2024)

Rank ⁽¹⁾	City	Airport	Enplaned Passengers (in '000s)		Percent Change
			CY 2019	CY 2024	
1	Atlanta	Hartsfield - Jackson Atlanta International	53,506	52,511	-1.9%
2	Dallas/Ft. Worth	Dallas-Fort Worth International	35,779	42,351	18.4
3	Denver	Denver International	33,593	40,013	19.1
4	Chicago	Chicago O'Hare International	40,871	38,576	-5.6
5	Los Angeles	Los Angeles International	42,939	37,761	-12.1
6	New York	John F Kennedy International	31,037	31,466	1.4
7	Charlotte	Charlotte/Douglas International	24,200	28,524	17.9
8	Las Vegas	Harry Reid International	24,728	28,245	14.2
9	Orlando	Orlando International	24,562	27,860	13.4
10	Miami	Miami International	21,421	26,588	24.1
11	Phoenix	Phoenix Sky Harbor International	22,434	25,596	14.1
12	Seattle	Seattle-Tacoma International	25,002	25,415	1.7
13	San Francisco	San Francisco International	27,779	25,079	-9.7
14	Newark	Newark Liberty International	23,161	24,544	6.0
15	Houston	George Bush Intercontinental/Houston	21,905	23,349	6.6
16	Boston	General Edward Lawrence Logan International	20,699	21,091	1.9
17	Minneapolis	Minneapolis-St Paul International	19,193	18,054	-5.9
18	Fort Lauderdale	Fort Lauderdale/Hollywood International	17,951	17,096	-4.8
19	New York	LaGuardia	15,394	16,716	8.6
20	Detroit	Detroit Metro Wayne County	18,143	16,111	-11.2
21	Philadelphia	Philadelphia International	16,006	15,102	-5.6
22	Salt Lake City	Salt Lake City International	12,841	13,544	5.5
23	Baltimore	Baltimore/Washington International	13,285	13,221	-0.5
24	Washington, DC	Washington Dulles International	11,884	13,003	9.4
25	San Diego	San Diego International	12,649	12,780	1.0
26	Washington, DC	Ronald Reagan Washington National Airport	11,595	12,751	10.0
27	Tampa	Tampa International	10,979	12,076	10.0
28	Nashville	Nashville International	8,936⁽²⁾⁽³⁾	12,059⁽²⁾	34.9⁽²⁾
29	Austin	Austin-Bergstrom International	8,507	10,678	25.5
30	Honolulu	Daniel K Inouye International	9,989	10,449	4.6
31	Chicago	Chicago Midway International	10,082	10,360	2.8

⁽¹⁾ Calendar year 2024 ranking.

⁽²⁾ Amounts in table may vary from Authority traffic records.

⁽³⁾ For calendar year 2019, the Airport was classified as a medium hub airport and was ranked as the 31st busiest airport in the nation with respect to enplaned passengers.

Source: Federal Aviation Administration, Air Carrier Information System, June 2025 (preliminary data).

For additional information regarding the Airport’s role in accommodating air traffic for the nation, see “APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – 1. Role of the Airport and Economic Base for Air Traffic – 1.1. Role of the Airport – 1.1.1. National Role” and “– 1.1.2. Regional 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 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 2025, approximately 18.1% of Southwest’s traffic at the Airport was connecting, and, therefore, approximately 81.9% was O&D traffic. In calendar year 2024, the Airport was the 8th busiest airport in terms of daily departures and seating in Southwest’s system. As of October 2025, Southwest has scheduled service during calendar year 2025 from the Airport to a total of 78 destinations with an average of 158 daily departures. As compared to the rest of Southwest’s system, the Airport also is among Southwest’s fastest growing markets. Southwest enplaned approximately 6.6 million passengers at the Airport in Fiscal Year 2025 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 – 1. Role of the Airport and Economic Base for Air Traffic – 1.1. Role of the Airport – 1.1.3. Role for Southwest Airlines” and “– 2. Air Service and Traffic Analysis – 2.1. Air Service at the Airport – 2.1.5. 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 2021 through 2025.

Common Indicators of Activity Fiscal Years 2021-2025					
	2021	2022	2023	2024	2025
Enplanements	5,151,658	9,217,710	10,919,899	11,826,204	12,385,378
% increase (decrease)	(24.9)%	78.9%	18.5%	8.3%	4.7%
Aircraft landed weight (all – 000 lbs)	7,869,238	11,043,360	12,918,074	13,823,559	14,394,601
% increase (decrease)	(12.5)%	40.3%	17.0%	7.0%	4.1%
Aircraft operations (passengers)	122,794	172,914	190,845	204,144	213,335
% increase (decrease)	(12.1)%	40.8%	10.4%	7.0%	4.5%
Aircraft operations (all other)	57,859	71,708	71,938	70,191	66,342
% increase (decrease)	(2.1)%	23.9%	0.3%	(2.4)%	(5.5)%
Load Factors ⁽¹⁾	58.9%	78.9%	79.3%	78.4%	78.5%
% increase (decrease)	(13.8)%	34.0%	0.5%	(1.1)%	0.1%

⁽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 Years Ended June 30, 2025 and 2024.

For information regarding enplaned passengers, including enplaned passengers rankings, growth in enplaned passengers, enplaned passengers by Airline and market share, historical enplaned passengers

and projected 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 – 1. Role of the Airport and Economic Base for Air Traffic,” and “– 2. Air Service and Traffic Analysis.”

Enplaned Passenger Traffic

The Airport predominately serves domestic traffic, which comprised approximately 97.6% of the Airport’s passenger traffic in Fiscal Year 2025; therefore, international traffic is a relatively small component at approximately 2.4%. The Airport also primarily serves O&D traffic, as 80.6% of the Airport’s passenger traffic in Fiscal Year 2025 was O&D, with the remaining 19.4% connecting. Almost all of the Airport’s connecting passengers are carried by Southwest. In terms of O&D passenger volume, the Airport had approximately 9.98 million O&D enplaned passengers for Fiscal Year 2025.

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 2015 through 2025 and for the first five months of Fiscal Years 2025 and 2026.

**Enplaned Passengers and O&D Enplaned Passengers
Fiscal Years 2015-2025 and First Five Months of Fiscal Years 2025 and 2026**

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
2015	5,604,148	–	4,562,238	–	81.4%
2016	6,141,092	9.6%	5,044,163	10.3%	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	82.4
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
2023	10,919,899	18.5	9,257,487	18.5	84.8
2024	11,826,204	8.3	9,864,265	6.6	83.4
2025	12,385,378	4.7	9,978,656	1.2	80.6
<u>First Five Months⁽²⁾</u>					
2025	5,412,851	–	4,424,026	–	81.7%
2026	5,795,818	7.1%	4,522,374	2.2%	78.0

⁽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.

⁽²⁾ July 1 through November 30. Results for the first five months of Fiscal Year 2026 may not be indicative of results for the full Fiscal Year 2026.

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, historical enplaned passengers and projected enplaned passengers, see “NASHVILLE INTERNATIONAL AIRPORT – Enplaned Passenger Market Share” below and “APPENDIX A – REPORT OF THE AIRPORT

CONSULTANT – 1. Role of the Airport and Economic Base for Air Traffic – 1.1. Role of the Airport – 1.1.1. National Role,” and “ – 2. Air Service and Traffic Analysis.”

Enplaned Passenger Market Share

The top four passenger Airlines serving the Airport, which comprised 87.0% of the Airport’s enplaned passenger market share in Fiscal Year 2025, are Southwest (53.7% market share), American Airlines (13.6% market share), Delta Air Lines (12.1% market share) and United Airlines (7.6% market share). Southwest is the Airport’s largest carrier in terms of passenger market share. Southwest accounted for 53.7% and 51.6% of the total enplanements, or 6,646,369 and 6,103,524 enplanements at the Airport in Fiscal Years 2025 and 2024, respectively. See also “APPENDIX A – REPORT OF THE AIRPORT CONSULTANT.”

[Remainder of page intentionally left blank]

The following table presents enplaned passengers at the Airport by the Signatory Passenger Airlines, the passenger airlines operating at the Airport that are not Signatory Passenger Airlines (the “Non-Signatory Passenger Airlines”), and total enplaned passengers for Fiscal Years 2021 through 2025 with the associated percent of market share for Fiscal Year 2025.

Enplaned Passenger Market Share⁽¹⁾
Fiscal Years 2021-2025

	2021	2022	2023	2024	2025	2025 % of Total
Signatory Airlines:						
Alaska Airlines	64,928	102,762	113,995	156,015	188,748	1.5%
Allegiant Air ⁽²⁾	136,565	252,591	407,726	464,553	337,838	2.7
American Airlines	725,481	1,471,530	1,569,654	1,677,822	1,678,711	13.6
Delta Air Lines	503,867	1,105,082	1,336,379	1,409,111	1,499,794	12.1
Frontier Airlines	73,885	118,912	163,960	123,100	112,303	0.9
JetBlue	44,914	149,302	228,078	163,373	154,510	1.2
Southwest Airlines	3,091,692	4,945,583	5,575,049	6,103,524	6,646,369	53.7
Spirit Airlines	171,669	268,835	417,971	529,431	488,094	3.9
United Airlines	306,115	691,107	835,968	909,899	938,919	7.6
Sub Total	5,119,116	9,105,704	10,648,780	11,536,828	12,045,286	97.2%
Non-Signatory Airlines:						
Air Canada	–	5,854	50,396	27,715	72,143	0.6%
Air Canada dba Jazz Air	–	16,356	7,807	4,765	15,770	0.1
British Airways	–	11,577	55,208	65,979	76,406	0.6
Contour Airlines	9,741	20,091	26,363	22,889	11,947	0.1
Sun Country ⁽²⁾	16,868	25,007	36,877	45,661	44,742	0.4
WestJet Airlines	–	16,487	35,979	54,747	71,674	0.6
All Others (includes Charters)	5,933	16,634	58,489	67,620	47,410	0.4
Sub Total	32,542	112,006	271,119	289,376	340,092	2.8
Total	5,151,658	9,217,710	10,919,899	11,826,204	12,385,378	100.0%

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

⁽²⁾ On January 11, 2026, Allegiant Air and Sun Country Airlines entered into a merger agreement, pursuant to which, Allegiant will purchase Sun Country. The merger remains subject to federal regulatory approval. Upon successful completion of the merger, the combined airline is expected to operate under the Allegiant name.

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 Airline Agreements, 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 projections at the Airport, see “APPENDIX A – REPORT OF THE AIRPORT CONSULTANT.”

The following table presents landed weight by Signatory Passenger Airlines and Non-Signatory Passenger Airlines, total passenger carrier landed weight, cargo and miscellaneous carrier landed weight, total landed weight, and the percentage of passenger landed weight for Fiscal Years 2021 through 2025 with the associated percent of market share for Fiscal Year 2025.

Passenger, Cargo and Miscellaneous Landed Weight Market Share⁽¹⁾
Fiscal Years 2021-2025
(in thousands of pounds)

	2021	2022	2023	2024	2025	2025 % of Total
Passenger Carriers						
Signatory Airlines:						
Alaska Airlines	93,408	100,654	110,669	164,433	196,514	1.4%
Allegiant Air ⁽²⁾	248,448	317,469	496,404	525,477	359,736	2.5
American Airlines	945,038	1,693,950	1,779,567	1,908,020	1,931,802	13.4
Delta Air Lines	871,462	1,260,848	1,461,428	1,525,552	1,695,158	11.8
Frontier Airlines	82,863	118,797	172,070	135,636	118,907	0.8
JetBlue	71,669	183,497	294,044	194,172	166,899	1.2
Southwest Airlines	4,463,892	5,456,214	6,168,540	6,955,019	7,493,148	52.1
Spirit Airlines	201,041	288,542	434,883	557,023	538,245	3.7
United Airlines	442,277	813,331	992,581	1,045,775	1,077,060	7.5
Sub Total	7,420,098	10,233,302	11,910,186	13,011,107	13,577,469	94.4%
Non-Signatory Airlines:						
Air Canada	–	9,204	29,226	5,635	51,391	0.4%
Air Canada dba Jazz Air	–	20,752	38,491	31,451	18,405	0.1
British Airways	–	25,200	128,525	132,510	153,590	1.1
Contour Airlines	31,201	52,296	74,160	69,978	32,314	0.2
Sun Country ⁽²⁾	34,377	51,273	107,159	64,859	67,518	0.5
SkyWest	–	–	–	5,311	7,379	0.1
WestJet/Encore	405	19,363	34,373	54,478	78,882	0.5
All Others (includes Charters)	29,048	49,861	91,827	141,460	102,511	0.7
Sub Total	95,031	227,949	503,761	505,682	511,990	3.6%
Total Passenger Carrier Weight	7,515,129	10,461,252	12,413,947	13,516,789	14,089,459	98.0%
Cargo & Misc. Carrier Weight	354,109	582,109	504,127	306,770	305,142	2.0%
Total Weight All Aircraft	7,869,238	11,043,360	12,918,074	13,823,559	14,394,601	100.0%
% Passenger Carrier Weight	96%	95%	96%	98%	98%	

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

⁽²⁾ On January 11, 2026, Allegiant Air and Sun Country Airlines entered into a merger agreement, pursuant to which, Allegiant will purchase Sun Country. The merger remains subject to federal regulatory approval. Upon successful completion of the merger, the combined airline is expected to operate under the Allegiant name.

Source: Metropolitan Nashville Airport Authority.

SIGNATORY PASSENGER AIRLINE AGREEMENTS AND CERTAIN NON-AIRLINE AGREEMENTS

Signatory Passenger Airline Agreements

General. The Authority and the Signatory Passenger Airlines have entered into the Signatory Passenger Airline Agreements, with an effective date of July 1, 2023 and an expiration date of June 30, 2031 (unless extended pursuant to the provisions of the Signatory Passenger Airline Agreements).

Brief descriptions of the Authority's rate making methodology and certain other provisions of the Signatory Passenger Airline Agreements are provided below. The descriptions provided below are qualified in their entirety by the applicable provisions of the Signatory Passenger Airline Agreements. For a more detailed discussion of the Authority's rate making methodology and certain additional provisions of the Signatory Passenger Airline Agreements see "APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE 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 SIGNATORY AIRLINE USE AND LEASE AGREEMENTS."

The Signatory Passenger Airline Agreements establish three cost centers for the purpose of determining rates and charges payable by the Signatory Passenger 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 Signatory Passenger Airline Agreements have a "hybrid" airline rate-setting methodology with the Landing Fees being calculated on a residual basis (as described below), and the Terminal Rental Rates (as described below) and Terminal Ramp Area rates generally being established through a compensatory methodology. Other than the Airfield, the Signatory Passenger Airlines are not required to provide for break-even financial operation of the Airport under the Signatory Passenger Airline Agreements.

Rates and Charges. 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 Passenger Airlines to lease Exclusive Use Premises, Preferential Use Premises, and Joint Use Premises. Exclusive Use 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 Passenger Airline and to which the Signatory Passenger 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.

Following is a general description of how Landing Fees, the Terminal Rental Rate and the Terminal Ramp Area Rate are calculated under the Signatory Passenger Airline Agreements. See "APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE SIGNATORY AIRLINE USE AND LEASE AGREEMENTS" for information on how certain other fees are calculated under the Signatory Passenger Airline Agreements.

Landing Fees under the Signatory Passenger Airline Agreements are calculated primarily on an Airfield residual basis. Landing Fees are equal to the Airfield Requirement divided by the estimated Signatory Maximum Gross Landed Weight. The Airfield Requirement is calculated based on the following:

1. O&M Expenses allocable to the Airfield; **plus**
2. Debt Service on the Senior Bonds and the Subordinate Bonds allocable to the Airfield; **plus**
3. Deposits to the Airline Facilities Investment Fund; **plus**
4. Debt Service Coverage requirements for the Senior Bonds and the Subordinate Bonds allocable to the Airfield; **plus**
5. the Reliever Airport Support Costs; **plus**
6. Operations and Maintenance Reserve Fund requirements allocable to the Airfield; **plus**
7. Renewal and Replacement Fund requirements allocable to the Airfield; **minus**
8. Non-Airline Airfield Revenues; **minus**
9. Landing Fees collected from Non-Signatory Airlines.

The cargo carriers that have entered into a Signatory Airline Agreement also pay Landing Fees pursuant to the calculation described above.

The Terminal Rental Rate under the Signatory Passenger Airline Agreements is calculated on a compensatory basis. The Terminal Rental Rate is equal to the Terminal Requirement divided by the estimated amount of Rentable Space. The Terminal Requirement is calculated based on the following:

1. O&M Expenses allocable to the Terminal; **plus**
2. Debt Service on the Senior Bonds and the Subordinate Bonds allocable to the Terminal; **plus**
3. Amortization Requirements allocable to the Terminal; **plus**
4. Debt Service Coverage requirements for the Senior Bonds and the Subordinate Bonds allocable to the Terminal; **plus**
5. Operations and Maintenance Reserve Fund requirements allocable to the Terminal; **plus**
6. Renewal and Replacement Fund requirements allocable to the Terminal.

The Terminal Ramp Area Rate under the Signatory Passenger Airline Agreements is calculated on a compensatory basis. The Terminal Ramp Area Rate is equal to the Terminal Ramp Area Requirement divided by the total square footage of the Terminal Ramp Area. The Terminal Ramp Area Requirement is calculated based on the following:

1. Budgeted O&M Expenses allocable to the Terminal Ramp Area; **plus**
2. Debt Service on the Senior Bonds and the Subordinate Bonds allocable to the Terminal Ramp Area; **plus**

3. Amortization Requirements allocable to the Terminal Ramp Area; **plus**
4. Debt Service Coverage requirements for the Senior Bonds and the Subordinate Bonds allocable to the Terminal Ramp Area; **plus**
5. Operations and Maintenance Reserve Fund requirements allocable to the Terminal Ramp Area; **plus**
6. Renewal and Replacement Fund requirements allocable to the Terminal Ramp Area.

Revenue Sharing. Pursuant to the provisions of the Signatory Passenger Airline Agreements, the Authority has agreed to share certain excess revenues with the Signatory Passenger Airlines. Revenue Sharing Credits are calculated each Fiscal Year and applied in the following Fiscal Year. The Revenue Sharing Credits are 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.

The total amount of revenue shared with the Signatory Passenger Airlines in a given Fiscal Year will be derived by first establishing the value of each factor for that Fiscal Year in accordance with the following table of 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

The funding source for airline revenue sharing comes from the Authority’s available in-Terminal concession revenues. The Authority will only share revenue with the Signatory Passenger Airlines if Net Remaining Revenues are positive. See “APPENDIX E – SUMMARY OF CERTAIN PROVISIONS OF THE SIGNATORY AIRLINE USE AND LEASE AGREEMENTS” for information on how certain the Revenue Sharing Credits are calculated.

The Reliever Airport and MNAA Properties Corporation (MPC). The Signatory Passenger Airline Agreements provide Signatory Passenger 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 Signatory Passenger Airline Agreements do not provide for any support from the Signatory Passenger 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 Disapproval Process Relating to Authority's Capital Projects. The Authority has secured all Majority-in-Interest ("MII") approvals necessary to complete the portions of the Authority's Capital Projects being funded with proceeds of the Series 2026A/B Senior Bonds.

Pursuant to the Signatory Passenger Airline Agreements and the Signatory Airline Agreements entered into by any cargo carriers, the Signatory Airlines agreed to a MII disapproval process related to certain Airfield capital improvement projects (commonly referred to as a "negative MII"). Other than certain capital improvements identified in the Signatory Airline Agreements (and summarized below), any Airfield capital improvement project with a net cost to the Authority in excess of \$2 million and funded in a manner that will directly impact the airline rate base is subject to the MII disapproval process. Additionally, pursuant to the Signatory Airline Agreements, an Airfield capital improvement project, not previously disapproved, that increases in net cost by the greater of 10% and which such increased cost will be funded through airline rates and charges to be paid by Signatory Airlines is subject to the MII disapproval process. In general, when an Airfield capital improvement project is subject to the disapproval process under the Signatory Airline Agreements, the Authority is required to give notice to the Signatory Airlines of such project, which notice must include, among other things, a description of the project, the estimated cost of the project, a summary of how the project will be funded and an estimate of the impact the project will have on the Landing Fees and any other fees payable by the Signatory Airlines. The Signatory Airlines have 30 days after receipt of the notice to provide notice to the Authority that they disapprove of the project. An Airfield capital improvement project can only be disapproved if a Majority-in-Interest of the Signatory Airlines disapprove the project. The Signatory Airline Agreements define "Majority-in-Interest" as Signatory Airlines that account for more than 50% of the Signatory Airlines in number that also account for more than 75% of the Landing Fees paid by the Signatory Airlines, including Affiliates, at the Airport, during the immediately preceding 12-month period.

In the event a Majority-in-Interest of the Signatory Airlines disapprove an Airfield capital improvement project, the Authority may only proceed with such project if the Authority confirms in writing to all Signatory Airlines that the Authority will not fund the 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 a prior Airline Use and Lease Agreement or the existing Signatory Airline Agreements
- Capital improvement projects with capital costs of less than \$2 million 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.

Non-Signatory Airlines Rates and Charges

Passenger airlines and cargo carriers operating at the Airport that are not Signatory Airlines or are not an Affiliate of a Signatory Airline are subject to rates and charges that reflect a 25% premium over the rates and charges assessed to the Signatory Airlines under the Signatory 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 (Fraport), Lease and Concession Agreement (Paradies), Rental Car Concession Agreements, Turo Permit, Parking Agreement and TNC Permits.

Lease and Concession Agreement (Fraport). The Authority and Fraport USA entered into that certain Lease and Concession Agreement, effective August 15, 2018 (as amended, the “Lease and Concession Agreement (Fraport)”), for the development and management of the Airport terminal concessions program in the terminal building through January 31, 2034. The rent under the Lease and Concession Agreement (Fraport) is currently equal to the greater of 70% of sublessee rents (which will increase to 85% of sublease rents on January 1, 2029) 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), 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 (Fraport) 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.

Lease and Concession Agreement (Paradies). The Authority and Paradies Lagardere @ Nashville LLC (“Paradies”) entered into that certain Lease and Concession Agreement, effective October 19, 2023 (as amended, the “Lease and Concession Agreement (Paradies)”), for the development and management of the concessions program in the Satellite Concourse. The Lease and Concession Agreement (Paradies) will expire in 2043. The rent under the Lease and Concession Agreement (Paradies) is equal to 7% of gross receipts until such time as certain conditions are met, at which time the Authority will enter into a 50/50 profit share arrangement with Paradies. The 50/50 profit share arrangement will commence at the earlier of July 1, 2031, when Paradies has recouped its initial \$12 million investment, or when the Satellite Concourse achieves 1.746 million enplaned passengers, and will last for five years, and beginning in the sixth year, the Authority will retain 60% of gross profits. Under the Lease and Concession Agreement (Paradies), 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 October 31, 2026 (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 Authority is currently reviewing its options when the Rental Car Concession Agreements expire on October 31, 2026. Additionally, all of the on-Airport rental car companies must collect and remit CFCs 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 a fee equal to 10% of gross sales.

Parking Agreements. The Authority has entered into two agreements with LAZ Parking Services, Inc. (“LAZ”), with terms through June 30, 2026 (the “Parking Agreements”) to (i) manage and operate the on-Airport automobile parking facilities and (ii) the valet parking service. Under the Parking Agreements, the Authority retains all parking and valet revenues and pays LAZ a management fee. In Fiscal Year 2025, the Authority paid LAZ approximately \$452,000 for managing and operating the automobile parking facilities and approximately \$560,000 for operating the valet parking service. The Authority is currently reviewing its options when the Parking Agreements expire on June 30, 2026, including issuing new requests for proposals for the management of the parking facilities and the valet service.

TNC Permits. The Authority entered into annual operating permits with Lyft and Uber (the “TNC Permits”), which commenced operations at the Airport in October and December 2014, respectively. Pursuant to the TNC Permits, the Authority imposes a \$5.00 pick-up fee and a \$5.00 drop-off fee on the TNCs (the “TNC Fees”), which can be increased by the Authority with 30 days’ notice. The TNC Permits 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 – 4. Financial Framework and Analysis – 4.9. 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 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 Signatory Passenger Airline Agreements through the term of the Signatory Passenger Airline Agreements (June 30, 2031). For a discussion regarding projected results during the Projection Period, see “APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – 4. Financial Framework and Analysis – 4.15. Airline Revenues.”

Landing Fees. Per the cost center residual rate-setting methodology in the Airfield under the Signatory Airline Agreements, the Authority fully recovers direct and allocated indirect costs for airline use of the airfield cost center. The Signatory Airline Airfield Requirement is reduced by estimated non-airline revenue forecast in each Fiscal Year. See “SIGNATORY PASSENGER AIRLINE AGREEMENTS AND CERTAIN NON-AIRLINE AGREEMENTS – Signatory Passenger Airline Use and Lease Agreements” above for additional information regarding the terms of the Signatory Passenger Airline Agreements. The Signatory Airline Landing Fee Rate per 1,000-pound unit of landed weight was \$3.38 and \$3.50 in Fiscal Years 2025 and 2024, respectively. The Authority collected approximately \$45.4 million and \$43.6 million in landing fees in Fiscal Years 2025 and 2024, respectively. For a discussion regarding projected results during the Projection Period, see “APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – 4. Financial Framework and Analysis – 4.15. Airline Revenues – 4.15.1 Landing Fees.”

Terminal Rents. Pursuant to the Signatory Passenger Airline Agreements, the Authority recovers Terminal Rents from the Signatory Passenger Airlines based on compensatory methodologies. In Fiscal Years 2025 and 2024, Terminal Rents were \$176.93 and \$157.93 per square foot for space in the main terminal, respectively, and \$172.50 and \$154.02 per square foot for space in the Satellite Concourse, respectively. The Authority collected approximately \$48.6 million and \$41.4 million in Terminal Rents in Fiscal Years 2025 and 2024, respectively. For a discussion regarding projected results during the Projection Period, see “APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – 4. Financial Framework and Analysis – 4.15. Airline Revenues – 4.15.2. 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 \$3.1 million and \$2.6 million in Passenger Loading Bridge Fees in Fiscal Years 2025 and 2024, respectively. The Authority collected approximately \$20.8 million and \$17.1 million in Baggage Fees in Fiscal Years 2025 and 2024 respectively. For a discussion regarding projected results during the Projection Period, see “APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – 4. Financial Framework and Analysis – 4.15. Airline Revenues – 4.15.4. Other Signatory Airline Fees.”

Terminal Ramp Area Rentals. Per the compensatory rate-setting methodology under the Signatory Passenger Airline Agreements, the Authority recovers direct and allocated indirect costs for airline use of

the Terminal Ramp Area cost center. The Authority collected approximately \$4.7 million and \$4.1 million in Terminal Ramp Area rentals in Fiscal Years 2025 and 2024, respectively. For a discussion regarding projected results during the Projection Period, see “APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – 4. Financial Framework and Analysis – 4.15. Airline Revenues – 4.15.3. Terminal Ramp Area Rentals.”

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 75.7% and 76.5% of total Non-Airline Revenue in Fiscal Years 2025 and 2024, respectively. 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 projected results during the Projection Period, see “APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – 4. Financial Framework and Analysis – 4.12. Non-Airline Revenue.”

Parking Revenues. The Authority most recently implemented parking rate changes on November 1, 2025 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 \$113.2 million and \$111.1 million in parking revenues in Fiscal Years 2025 and 2024, respectively. For information regarding the Parking Agreement and a discussion regarding projected results during the Projection 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 – 4. Financial Framework and Analysis – 4.12. Non-Airline Revenue – 4.12.1. 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 \$18.2 million and \$16.9 million in ground transportation concessions in Fiscal Years 2025 and 2024, respectively, of which approximately \$15.8 million and \$14.8 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 pick-up fee was increased to \$5.00 per pick-up on July 1, 2025. 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, which was again increased to \$4.00 per drop-off on January 1, 2022, and was further increased to \$5.00 per drop-off on July 1, 2025. For information regarding the TNC Permits and a discussion regarding projected results during the Projection Period, see “SUMMARY OF CERTAIN PROVISIONS OF THE SIGNATORY PASSENGER AIRLINE AGREEMENTS AND CERTAIN NON-AIRLINE AGREEMENTS – Non-Airline Agreements – TNC Permits” herein and “APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – 4. Financial Framework and Analysis – 4.12. Non-Airline Revenue – 4.12.3. 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 \$26.4 million and \$25.5 million in rental car concessions in Fiscal Year 2025 and 2024, respectively. For information regarding the terms of the Rental Car Concession Agreements and a discussion regarding projected results during the Projection 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 – 4. Financial Framework and Analysis – 4.12. Non-Airline Revenue – 4.12.2. Rental Car Concessions.”

Terminal Concession Revenues. Terminal concession revenues include food and beverage, retail, and news and gift concessions. The Authority collected approximately \$20.8 million and \$24.0 million in terminal concessions in Fiscal Year 2025 and 2024, respectively. For information regarding the terms of the Lease and Concession Agreement (Fraport) and the Lease and Concession Agreement (Paradies) and a discussion regarding projected results during the Projection 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 “– Lease and Concession Agreement (Paradies)” and “APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – 4. Financial Framework and Analysis – 4.12. Non Airline Revenue – 4.12.4. 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 \$24.7 million and \$17.4 million in other buildings and areas revenues in Fiscal Years 2025 and 2024, respectively. For a discussion regarding projected results during the Projection Period, see “APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – 4. Financial Framework and Analysis – 4.12. Non-Airline Revenue – 4.12.5. Other Non-Airline Revenues.”

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 \$4.7 million and \$4.5 million in Non-Signatory Airline Landing Fees and fuel flowage fees in Fiscal Years 2025 and 2024, respectively. For a discussion regarding projected results during the Projection Period, see “APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – 4. Financial Framework and Analysis – 4.12. Non-Airline Revenue – 4.12.5. Other Non-Airline Revenues.”

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 \$4.1 million and \$3.0 million in Fiscal Years 2025 and 2024, respectively. For a discussion regarding projected results during the Projection Period, see “APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – 4. Financial Framework and Analysis – 4.12. Non-Airline Revenue – 4.12.5. Other Non-Airline Revenues.”

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 and State 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 \$7.3 million and \$3.6 million in each of Fiscal Years 2025 and 2024, respectively, 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 \$40.5 million of New Horizon projects with federal grants.

In addition to FAA AIP and discretionary grants, the Authority also receives grant funds from the Tennessee Department of Transportation ("TDOT") Aeronautics Division's Transportation Equity Fund. The TDOT's Aeronautics Division administers federal and state funding to assist in the location, design, construction, and maintenance of Tennessee's public aviation system. The Authority expects to fund approximately \$126.8 million of New Horizon projects with State grants.

For additional information regarding federal and State grants, see "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – 3. Airport Facilities and Capital Program – 3.4. Authority's Capital Program Plan of Finance – 3.4.1 Federal Grants" and – 3.4.2. State Grants."

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 2024 (H.R. 3935, Pub. L. 118-63) (Reauthorization) (the "2024 FAA Reauthorization Act") was signed on May 16, 2024 and extends the FAA's funding and authorities (including the collection of PFCs) through 2028.

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 \$46.8 million and \$44.7 million in Fiscal Years 2025 and 2024, respectively.

As of September 30, 2025, the Authority was authorized by the FAA to impose and use approximately \$1.66 billion 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, 2025, the Authority had collected approximately \$652.8 million (including approximately \$47.3 million of interest) of its total approved collection authority and had spent approximately \$434.4 million on approved projects (including the debt service on certain Senior Bonds and Series 2019 Subordinate Bonds, the proceeds of which financed PFC eligible projects). As of September 30, 2025, the Authority had an unliquidated balance of approximately \$218.3 million of PFC Revenues.

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 paid a portion of the Debt Service on the Series 2015A Senior Bonds and the Series 2015B Senior Bonds, and has been paying and intends to continue to pay a portion of the Debt Service on the Series 2019B Subordinate Bonds and the Series 2022 Senior Bonds from available PFC Revenues and also intends to pay a portion of the Debt Service on the Series 2026 Senior Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2026 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’S CAPITAL PROGRAM – Anticipated Funding Sources for Authority’s 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 was further increased on February 1, 2025 to \$10.00 per transaction day. 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 \$25.8 million and \$17.3 million of CFCs in Fiscal Years 2025 and 2024, respectively. 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 – 3. Airport Facilities and Capital Program – 3.4. Authority’s Capital Program Plan of Finance – 3.4.4. 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 December 1, 2025, the CONRAC Bonds were outstanding in the aggregate principal amount of \$11,137,562. The CONRAC Bonds have a final maturity date of July 1, 2028. 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. 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. To the extent there are any excess CFCs after the payment of debt service on the CONRAC Bonds, the Authority plans to use such excess CFCs to fund a portion of the costs of the design and construction of the new CONRAC contemplated in New Horizon. 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, 2025, the balance in the Nashville Airports Experience (NAE) Fund was approximately \$422.3 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 2021 through 2025 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 YEARS ENDED JUNE 30, 2025 AND 2024.”

[Remainder of page intentionally left blank]

Schedule of Revenues, Expenses and Change in Net Position⁽¹⁾⁽²⁾
Fiscal Years 2021-2025
(Unaudited)

	2021	2022	2023	2024	2025
Operating Revenues:					
Terminal building rental and fees	\$22,445,648	\$31,951,063	\$34,898,168	\$47,725,771	\$66,386,710
Landing and related fees	26,818,385	26,498,354	32,321,272	54,194,103	51,726,343
Parking	28,175,988	78,086,608	99,244,129	111,147,005	113,203,532
Car rental	12,656,024	20,451,716	24,495,923	25,502,274	26,355,596
Space rental	15,469,797	20,142,386	22,967,443	17,395,073	24,745,370
Concession	9,411,265	16,785,708	18,063,697	24,011,968	20,848,570
Ground transportation	3,919,824	10,987,529	14,960,927	16,911,757	18,176,625
Other	9,722,628	5,325,500	7,650,805	5,725,716	5,016,484
Total Operating Revenues	\$128,619,559	\$210,228,864	\$254,602,364	\$302,613,667	\$326,459,230
Operating Expenses:					
Salaries, wages and fringe benefits	\$25,133,488	\$37,663,363	\$39,212,410	\$49,830,121	\$51,756,371
Professional and other contractual services	16,490,438	22,550,510	26,009,193	29,165,587	41,786,237
Shuttle bus services	3,078,359	6,412,141	7,434,123	13,254,850	17,206,032
Janitorial services	7,100,572	8,782,457	11,856,848	15,826,096	15,791,577
Parking management	4,756,226	9,311,704	12,359,364	13,135,892	15,137,226
Utilities	5,598,234	7,002,019	8,640,221	8,779,086	11,249,251
Materials and supplies	3,674,391	4,857,791	6,631,337	9,431,679	8,679,362
Repairs and maintenance services	3,579,268	4,582,890	4,561,149	8,635,281	8,100,182
Insurance	1,913,299	2,148,338	3,481,751	5,318,692	5,198,729
Other	3,210,854	9,654,412	5,679,442	5,662,165	5,705,551
Total Operating Expenses	\$74,535,129	\$112,965,625	\$125,865,838	\$159,039,449	\$180,610,518
Provision for Depreciation	\$53,383,630	\$79,273,711	\$85,872,221	\$117,553,933	\$141,889,461
Nonoperating Revenues:					
Investment income (loss)	\$1,647,674	\$(4,756,436)	\$31,040,249	\$62,087,598	\$62,149,267
Passenger facility charges	20,253,069	35,678,032	41,531,943	44,734,128	46,775,211
Customer facility charges	8,365,388	12,939,489	15,494,211	17,283,641	25,801,636
Other nonoperating revenues	36,580,521	28,345,443	39,271,115	39,194,429	14,551,134
Total Nonoperating Revenues	\$66,846,652	\$72,206,528	\$127,337,518	\$163,299,796	\$149,277,248
Nonoperating Expenses:					
Debt-related expenses	\$49,322,732	\$50,168,719	\$70,545,732	\$79,534,325	\$81,214,909
Other nonoperating expenses	2,160,638	(67,615)	—	—	—
Total Nonoperating Expenses	\$51,483,370	\$50,101,104	\$70,545,732	\$79,534,325	\$81,214,909
Capital Contributions	\$31,356,438	\$29,762,836	\$58,983,376	\$33,822,954	\$34,469,692
Increase in Net Position	\$47,420,520	\$69,857,788	\$158,639,467	\$143,608,710	\$106,491,282
Total Net Position – End of Year	\$828,569,702	\$898,427,490	\$1,057,066,957	\$1,200,675,667	\$1,307,166,949

Footnotes are on the following page.

(1) This table presents the Authority's schedule of revenues, expenses and change in net position for Fiscal Years 2021 through 2025 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, this 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 YEARS ENDED JUNE 30, 2025 AND 2024."

(2) Beginning with Fiscal Year 2025, the Authority has modified how it presents its Schedules of Revenues, Expenses and Change in Net Position, by adding additional categories of Operating Revenues and Operating Expenses. Prior Schedules of Revenues, Expenses and Change in Net Position may not be exactly comparable to the Schedules presented in this table, however, the final results (i.e., Total Operating Revenues, Total Operating Expenses, Provision for Depreciation and Total Net Position) are the same.

Source: Management's Discussion and Analysis (Unaudited) in the Metropolitan Nashville Airport Authority Annual Comprehensive Financial Reports for the Fiscal Years ended June 30, 2021 through June 30, 2025.

Analysis of Airport Financial Results

Fiscal Year 2025 Results. For the fourth year in a row, the Authority had a record-breaking year with 12.4 million enplanements, a 4.7% increase from Fiscal Year 2024. The Airport averaged 670 daily airline arrivals and departures to 113 nonstop destinations.

Operating revenues increased \$23.8 million (7.9%) in Fiscal Year 2025 from Fiscal Year 2024. Terminal building rental and fees increased between Fiscal Year 2025 and Fiscal Year 2024 by \$18.7 million (39.1%) mainly driven by an increase in terminal rent (\$12.3 million) and baggage claim fees (\$5.1 million). Terminal rent increased due to realizing a full year of rental income for both the international arrivals facility and the Satellite Concourse (both of which opened in the fall of 2023). Baggage claim fees increased as rentable baggage claim space increased by approximately 6,000 square feet. Landing and related fees decreased by \$2.5 million (-4.6%) in Fiscal Year 2025. While overall Signatory Airline landed weights realized an increase of 4%, the landing fee was reduced due to the cancellation of certain airfield projects that the airlines were previously obligated to fund. Space rental increased \$7.4 million (42.3%) primarily for the following reasons: (1) increase of \$1.3 million in rental car storage site rent due to fair market value resets; (2) overall reduction in space rental revenue for lease accounting requirements was \$4 million less in Fiscal Year 2025 than in Fiscal Year 2024; and (3) \$1 million increase at the Reliever Airport for a new tenant. Concession revenue decreased by a net \$3.2 million (-13.2%) in Fiscal Year 2025 over Fiscal Year 2024. Food/beverage and retail concessions decreased a net \$5.1 million. Sales per enplanement increased in Fiscal Year 2025 for food/beverage and retail concessions, however, the increase in revenue was offset by COVID-19 relief grant credits of \$8 million remitted to concessionaires (concession revenue of \$8 million was reclassified to non-operating revenue). This decrease was offset by increase in advertising revenue of \$1.7 million. Ground transportation (Uber/Lyft) increased \$1.3 million (7.5%) in Fiscal Year 2025 over Fiscal Year 2024 due to higher passenger volume.

Operating expenses increased \$21.6 million (13.6%) in Fiscal Year 2025 from Fiscal Year 2024. Salaries and benefits increased by \$1.9 million (3.9%). The Authority granted employees a cost-of-living increase and added a total of 44 employees, which was offset by the overall reduction in expenses for pension and other post-employment benefits ("OPEB") accounting requirements being \$6.3 million more in Fiscal 2025 than in Fiscal 2024. Professional and other contractual services increased by \$12.6 million (43.3%) due to certain building demolitions (necessary to prepare for airport growth), studies relating to

future airport needs, and parking lot and ramp restriping. Shuttle bus services increased by \$4 million (29.8%) due to twelve months of shuttling passengers from the main terminal to the Satellite Concourse as compared to eight months in Fiscal Year 2024 (the Satellite Concourse opened in late October 2023). Parking management expenses (including parking lot operations and parking-related credit card fees) increased \$2 million (15.2%) due to an increase in parkers which drove higher parking-related credit card fees, and wage increases granted to the parking lot operator's employees. Utilities increased \$2.5 million (28.1%) due to increasing rates in addition to incurring a full year of expenses for the international arrivals facility and satellite concourse (both opened in the fall of 2023).

Non-operating revenues decreased by \$14 million (-8.6%) and non-operating expenses increased \$1.7 million (2.1%) in 2025 over 2024. PFCs increased \$2 million (4.6%) due to increase in passengers. CFCs increased \$8.5 million (49.3%) due to an increase in passengers as well as a rate increase from \$4.50 per transaction day to \$10 per transaction day effective February 1, 2025. The rate was increased to provide additional funding for a new CONRAC. Other non-operating revenue decreased \$24.6 million (-62.9%). Insurance and other reimbursements increased \$5 million due to the Authority receiving a large settlement from a 2019 dispute. This increase was offset by a \$21.4 million decrease in nonoperating federal and state grants (Authority used remaining non-concession COVID-19 relief grants by November 2024), and a \$8.2 million increase in loss of disposal of property and equipment. Interest expense increased \$1.6 million as a result of an increase in the usage of the Note Purchase Agreement for on-going construction projects.

Fiscal Year 2024 Results. The Authority had another record-breaking year in Fiscal Year 2024 with 11.8 million enplanements, an 8.3% increase over Fiscal Year 2023. The Airport averaged 660 daily airline arrivals and departures to 98 nonstop destinations.

Operating revenues increased \$48 million (18.9%) in Fiscal Year 2024 from Fiscal Year 2023. Terminal building rental and fees increased \$12.8 million (36.8%) in Fiscal Year 2024 over Fiscal Year 2023. Terminal rates were raised from \$116.55 per square foot in 2023 to \$173.17 per square foot in 2024 in accordance with the new Airline Use and Lease Agreement, effective July 1, 2023. The Authority also opened the Satellite Concourse (includes eight gates) and the international arrivals facility (includes six gates) in the fall of 2023; and rentable baggage claim space increased by approximately 19,400 square feet during 2024. Landing and related fees increased \$21.9 million (67.7%) in Fiscal Year 2024 over Fiscal Year 2023 due to the landing fee increasing from \$2.06 to \$3.50 from 2023 to 2024, as well as a 7% increase in overall landed weights. Parking revenue increased \$11.9 million (12%) in 2024 over 2023 due to receiving a full year's revenue from a new parking garage which opened in the final quarter of Fiscal Year 2023, the continued increase in passenger volume at the Airport, and increased parking rates effective in December 2023. Space rental decreased \$5.6 million (-24.3%) due to several factors. Adjustments pertaining to certain lease accounting requirements reduced revenue by \$5.8 million. These reductions were offset by new revenue from the onsite hotel and from renting additional office and lay-down yard space. Concession revenue increased from 2023 to 2024 by \$5.9 million (32.9%), due to increased passenger volume, as well as the addition of new dining and retail concepts in the satellite concourse, the international arrivals facility, and throughout other pre-existing terminal areas. Ground transportation revenue increased \$1.9 million (13%) from 2023 to 2024 due to higher passenger volume.

Operating expenses increased \$33.2 million (26.4%) in Fiscal Year 2024 over Fiscal Year 2023. Salaries and benefits increased \$10.6 million (27.1%) over Fiscal Year 2023 as the Authority added a total of 88 employees as well as granting cost-of-living adjustments. Professional and other contractual services increased by \$3.2 million (12.1%), shuttle bus services increased \$5.8 million (78.3%), janitorial services increased by \$4 million (33.5%), material and supplies increased by \$2.8 million (42.2%), repairs and maintenance increased by \$4.1 million (89.3%), and insurance increased \$1.8 million (52.8%). These increases are attributable to the increase in passenger volume during the year, as well as the added square footage of the Satellite Concourse and international arrivals facility. The Satellite Concourse requires

additional contractual shuttle bus service, and both new facilities require additional contracted janitorial and security services, as well as being added to property insurance.

Non-operating revenues increased \$36 million (28.2%) and non-operating expenses increased \$9 million (12.7%) in 2024 over 2023. Investment income increased \$31 million due to favorable market conditions in 2024 as well as earning interest on a full year of the bond proceeds invested after the December 2022 bond issuance. PFCs increased by \$3.2 million (7.7%) and CFCs increased by \$1.8 million (11.5%), both due to the increase in passengers during 2024. Federal and state grant revenue increased \$5.6 million as the Authority continued to draw on its COVID-19 relief grants, which was offset by a decrease in insurance reimbursements of \$5.5 million (proceeds received in Fiscal Year 2023 for the tornado that damage the Reliever Airport in March 2020 and the settlement of a lawsuit).

Capital contributions decreased \$25.2 million (-42.7%) in Fiscal Year 2024 due to a state grant (\$33 million) received for the Satellite Concourse being recognized fully in Fiscal Year 2023.

Fiscal Year 2023 Results. The Authority completed another record-breaking year in Fiscal Year 2023 with 10.9 million enplanements, a 19% increase from the previous Fiscal Year of 9.2 million enplanements. Fiscal Year 2022 was the first record-breaking year after the COVID-19 pandemic began in Fiscal Year 2020. The Airport averaged 600 daily airline arrivals and departures to 99 nonstop destinations.

Operating revenues increased by \$44.4 million (21.1%) in Fiscal Year 2023 from Fiscal Year 2022. Airline revenue increased \$8.8 million (15%), due to increases in the terminal rental rates and an increase in landing fees and flight operations. Parking revenue increased in FY2023 over FY2022 by \$21.2 million (27.1%) due to the continued increase in passenger volume, the opening of an additional parking garage in April 2023, and increased parking rates in March 2023. Rental car revenue increased \$4 million (19.8%), Concessions revenue increased \$1.3 million (7.6%), and Ground Transportation revenue increased \$4 million (36.2%) over Fiscal Year 2022, due to record passenger volume, as well as the addition of 18 new retail concepts.

Operating expenses increased \$12.9 million (11.4%) from Fiscal Year 2022 to Fiscal Year 2023. Salaries and benefits increased \$1.6 million (4.1%) as the Authority continued to fill vacant positions that were frozen during the pandemic and to bring salaries up to current market rates. Professional and other contractual services increased \$3.5 million (15.3%), shuttle bus services increased \$1 million (15.9%), janitorial services increased \$3.1 million (35%), parking management increased \$3 million (32.7%), utilities increased \$1.6 million (23.4%), material and supplies increased by \$1.8 million (36.5%), and insurance increased \$1.3 million (62.1%). These increases are attributable to the addition of square footage for the new terminal lobby and Garage B, as well as the 19% increase in passenger traffic during the year. Due to the robust growth, the Authority incurred more expenses to maintain cleanliness, comfort, safety, and security for all passengers. Other expenses decreased \$4 million (-41.2%) in 2023 over 2022 primarily due to a one-time settlement that the Authority paid in Fiscal Year 2022 of \$4.7 million.

Non-operating revenue increased \$55.1 million (76.4%) and non-operating expenses increased \$20.4 million (40.8%) in 2023 over 2022. Investment income increased \$35.8 million due to the increase in funds invested after the new debt issuance in December 2022, and more favorable market conditions in 2023. PFCs increased \$5.9 million (16.4%) and CFCs increased \$2.6 million (19.7%), both a direct result of more passengers in Fiscal Year 2023. The Authority also recorded a receivable for an insurance settlement of approximately \$5 million related to the tornado that damaged the Reliever Airport in March 2020. Interest expense increased \$17.8 million, and bond issuance costs increased by \$2.6 million; both directly related to the bonds issued midway through Fiscal Year 2023.

Capital contributions increased \$29.2 million (98.2%) in Fiscal Year 2023 primarily due to the receipt of a \$33 million state grant for the Satellite Concourse, that opened in October 2023.

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. Airline revenue increased in Fiscal Year 2022 from Fiscal Year 2021 by \$9.3 million (18.9%) as terminal rental rates and 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 \$49.9 million (177.1%) 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 \$7.4 million (78.4%), due to the increase in passenger volume, as well as the addition of 49 new food and retail concepts. Car rental fees increased \$7.8 million (61.6%) and ground transportation fees increased \$7 million (180.3%) due to the increase in passengers. Space rental increased from Fiscal Year 2021 to Fiscal Year 2022 by \$4.7 million (30.2%) and other operating revenue decreased \$4.4 million (-48.2%).

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%), professional and other contractual services increased by \$6.1 million (36.7%), shuttle bus services increased by \$3.3 million (108.3%), janitorial services increased by \$1.7 million (23.7%), and parking management increased \$4.6 million (95.8%). 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%) and nonoperating expenses decreased \$1.4 million (-2.7%) 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 grant 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%). Airline revenue increased slightly in Fiscal Year 2021 (\$319 thousand). Parking revenue decreased in Fiscal Year 2021 from Fiscal Year 2020 by \$14.3 million (-33.6%), car rental revenue decreased \$1.5 million (-10.5%), concessions revenue decreased by \$1.3 million (-12%), and ground transportation decreased \$2.3 million (-36.8%).

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%), professional and contractual services decreased by \$4.4 million (-20.9%), shuttle bus services decreased \$2.4 million (-43.3%), and parking management decreased by \$1 million (-17.9%). Janitorial expenses increased in Fiscal Year 2021 over 2022 by \$2.3 million (48.1%) due to additional cleaning during the pandemic.

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 Coronavirus Aid, Relief, and Economic Security Act (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

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 2021 through 2025.

Senior and Subordinate Debt Service Coverage⁽¹⁾⁽²⁾ Fiscal Years 2021-2025 (Unaudited)

	2021	2022	2023	2024	2025
Airport Revenues (Operating Revenues) ⁽³⁾	\$126,970,037	\$206,527,526	\$249,805,070	\$307,595,670	\$332,172,808
Add: Investment Income ⁽³⁾	2,625,560	2,358,569	12,061,178	26,428,966	31,871,605
Revenues Available for Debt Service	\$129,595,597	\$208,886,095	\$261,866,248	\$334,024,636	\$364,044,413
Less: Operating Expenses ⁽⁴⁾	(82,846,055)	(97,494,908)	(124,803,545)	(153,874,683)	(173,693,395)
Plus: COVID Relief Moneys Applied to Operating Expenses ⁽⁵⁾	3,988,211	2,026,935	3,280,617	—	—
Net Revenues	\$50,637,753	\$113,418,122	\$140,343,320	\$180,149,953	\$190,351,018
Senior Debt Service					
Interest	\$9,859,235	\$9,619,735	\$11,564,563	\$23,455,438	\$34,603,513
Principal	4,835,000	5,080,000	5,320,000	5,570,000	5,835,000
Less: PFC Revenues Applied to Debt Service ⁽⁶⁾	—	(688,478)	(688,531)	(3,294,767)	(7,515,701)
Less: COVID Relief Moneys Applied to Debt Service ⁽⁵⁾	(8,934,541)	(7,865,937)	(8,308,528)	(16,301,878)	(938,871)
Total Senior Debt Service	\$5,759,694	\$6,145,320	\$7,887,504	\$9,428,793	\$31,983,941
Senior Debt Service Coverage	8.79x	18.46x	17.79x	19.11x	5.95x
Subordinate Debt Service					
Interest	\$22,830,050	\$27,295,973	\$27,870,419	\$41,569,800	\$44,354,250
Principal	—	—	—	—	10,885,000
Less: PFC Revenues Applied to Debt Service ⁽⁶⁾	—	—	—	(18,210,132)	(25,013,664)
Less: COVID Relief Moneys Applied to Debt Service ⁽⁵⁾	(17,240,578)	(15,172,652)	(15,675,036)	(16,067,164)	(4,615,932)
Total Subordinate Debt Service	\$5,589,472	\$12,123,321	\$12,195,383	\$7,292,504	\$25,609,654
Subordinate Debt Service Coverage	9.06x	9.36x	11.51x	24.70x	7.43x
Senior and Subordinate Debt Service Coverage	4.46x	6.21x	6.99x	10.77x	3.31x

⁽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 of the Authority's Annual Comprehensive Financial Reports. Specifically, the debt service coverage calculations in the Statistical Information Sections of the Authority's Annual Comprehensive Financial Reports 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⁾ The numbers for Fiscal Years 2021 through 2024 have been recalculated as compared to the Authority's prior publication of those numbers. The modification of the numbers was necessary to match how the rate covenant is required to be calculated under the Senior Bond Resolution and the Subordinate Bond Resolution.

⁽³⁾ Includes annual operating revenues and investment income derived from the Airport and the Reliever Airport.

⁽⁴⁾ Includes annual operating expenses related to the Airport and the Reliever Airport.

⁽⁵⁾ COVID Relief moneys include CARES Act funds, Coronavirus Response and Relief Supplemental Appropriations Act funds (CRRSA), and American Rescue Plan Act funds (ARPA).

⁽⁶⁾ Includes amounts transferred from PFC Revenues to pay debt service on the Series 2015 Senior Bonds, the Series 2019B Subordinate Bonds and the Series 2022 Senior Bonds.

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 projected debt service coverage ratios relating to the Senior Bonds and the Subordinate Bonds throughout the Projection Period, see “REPORT OF THE AIRPORT CONSULTANT AND RATE COVENANT PROJECTIONS” and “APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – 4. Financial Framework and Analysis – 4.17. 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 Passenger Airlines, and divided by total enplaned passengers.

Average Airline Cost Per Enplaned Passenger⁽¹⁾
Fiscal Years 2021-2025⁽¹⁾

Fiscal Year	Average Airline CPE
2021	\$9.37
2022	6.16
2023	5.90
2024	8.38
2025	9.31

⁽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 projected CPE for the Airport, see “APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – 4. Financial Framework and Analysis – 4.16. Airline Cost per Enplaned Passenger.”

[Remainder of page intentionally left blank]

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 2021 through 2025. "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 2021-2025 (Unaudited)

	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Unrestricted Cash and Investments ⁽¹⁾	\$224,443,581	\$311,592,952	\$462,073,910	\$524,208,915	\$622,840,977
Total Operating Expenses ⁽²⁾	\$74,535,129	\$112,965,625	\$125,865,838	\$159,039,451	\$180,610,518
Days-Cash-On-Hand ⁽³⁾	1,099	1,007	1,340	1,203	1,259

⁽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

The Authority also has the authority to draw moneys under the Note Purchase Agreement to pay for operating expenses.

In addition to the unrestricted funds and investments, the Authority had \$705.0 million and \$606.6 million of restricted funds and investments on hand as of June 30, 2025 and 2024, respectively. Restricted cash and investments include bond proceeds held in contribution funds, bond payment funds, debt reserve funds, Passenger Facility Charges and Customer Facility Charges.

Fiscal Year 2026 Budget

The Authority's budgets for Fiscal Year 2026 were approved by the Board and include combined operating revenue of \$364.0 million and combined operating expenses of \$199.6 million. These totals include MPC's budget, comprised of \$5.0 million of operating revenue and \$1.8 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 2026 budgeted operating revenue increased \$31.0 million (9.3%) over the Fiscal Year 2025 budget. Budgeted concessions revenue increased by \$12.1 million due to projected passenger growth and parking revenue was decreased by \$3.2 million to adjust the budget to mirror the Fiscal Year 2025 actual revenue and to include the estimated impact of a rate increase that took effect on August 1, 2025 (parking rates were subsequently increased again on November 1, 2025). Budgeted Signatory Airline revenue increased \$17.8 million, primarily due to (i) increased in-terminal rates due to increase in debt service on Concourse D Extension (which opened July 2025), and (ii) increased maintenance costs of the baggage handling system.

Fiscal Year 2026 budgeted operating expenses decreased \$265,000 (0.1%) over the Fiscal Year 2025 budget. Budgeted salary and benefits decreased by \$1.3 million primarily due to the creation of a vacancy allowance and the removal of the Authority's annual required contribution to the pension and OPEB plans (no contributions are required for Fiscal Year 2026 due to both plans being fully funded or overfunded). These are offset by the addition of a potential 5-10 new positions and the implementation of a cost-of-living adjustment and the results of a compensation study. Budgeted contractual services decrease \$2.2 million primarily due to revised assumptions on various contracts including landside and terminal shuttle services. Budgeted utilities increased \$1.9 million for expected increase in usage and rates.

The Authority cannot predict the economic climate in Fiscal Year 2026. However, the Authority has used conservative budget assumptions, including enplanements and landed weights in developing the Fiscal Year 2026 budget. This conservative approach should enable the Authority to meet or exceed the budgeted performance in Fiscal Year 2026.

Pension and OPEB 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 YEARS ENDED JUNE 30, 2025 AND 2024." As of June 30, 2025, both of the Authority's pension plan and OPEB plan were fully funded or overfunded.

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 \$5.4 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. 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'S CAPITAL PROGRAM

General

Between Fiscal Year 2012 and 2017, annual enplaned passengers at the Airport increased by approximately 39% from approximately 4.9 million to 6.8 million. In response to this growth, in 2017, the Authority began developing a capital program, known as BNA Vision, to enhance the capacity of Airport facilities and meet the growing demand for Airport gates. 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. Nearly all of the projects in BNA Vision have been completed and are fully funded. The environmental assessment, property acquisition and the design work of a potential future extension of Runway 2L-20R, estimated to cost approximately \$15.0 million, is the only remaining project in BNA Vision to be completed. None of the proceeds of the Series 2026 Senior Bonds will be used to finance projects in BNA Vision. BNA Vision had a total budget of approximately \$1.53 billion and the actual cost of BNA Vision was approximately \$1.48 billion (approximately \$57.1 million below budget). The Authority expects BNA Vision to be completed on schedule and slightly below budget. For additional information regarding BNA Vision, see "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – 3. Airport Facilities and Capital Program – 3.3. Authority's Capital Program – 3.3.1 BNA Vision."

As air traffic continued to increase dramatically during the planning and implementation of BNA Vision, the Authority began undertaking a new capital initiative, known as New Horizon, which includes additional expansion projects to accommodate future demand beyond what was contemplated when BNA Vision was developed. As of the date of this Official Statement, New Horizon has an estimated cost of approximately \$2.96 billion, and is divided into New Horizon I, which comprises airside projects and has a total estimated cost of approximately \$1.62 billion, and New Horizon II, which comprises landside projects and has an estimated cost of approximately \$1.34 billion. A portion of the proceeds of the Series 2026A/B Senior Bonds (approximately \$892.4 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 2027 and 2029 to finance additional costs of New Horizon. For additional information regarding New Horizon, see “APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – 3. Airport Facilities and Capital Program – 3.3. Authority’s Capital Program – 3.3.2. 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 projects in the CIP are estimated to cost approximately \$927.6 million, which includes expenditures prior to Fiscal Year 2026 (\$30.2 million) and expenditures between Fiscal Year 2026 and Fiscal Year 2032 (\$897.4 million). A portion of the proceeds of the Series 2026A/B Senior Bonds (approximately \$133.5 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 2027 and 2029 to finance additional costs of projects in the CIP. For additional information regarding the CIP, see “APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – 3. Airport Facilities and Capital Program – 3.3. Authority’s Capital Program – 3.3.3. Other Authority CIP Projects.”

The Authority’s 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’s 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’s Capital Program, or extend or accelerate the timing to complete certain elements of the Authority’s Capital Program. Any revisions to the Authority’s 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’s Capital Program

The Authority uses a variety of strategies to mitigate risk associated with the implementation of the elements within the Authority’s Capital Program. From an overall management perspective, the Authority has weekly New Horizon Implementation meetings with representatives from all departments to discuss the status, timing, potential issues, etc. associated with each New Horizon project in order to ensure proper communication is occurring throughout the Authority. The Engineering Department prepares a monthly BNA Vision, New Horizon I and New Horizon II “Detailed Report” and “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 New Horizon projects 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 2025, all of the projects in BNA Vision were under contract.

As of October 2025, \$1.4 billion of the approximately \$3.0 billion total New Horizon budget (48.8% of the total budget) was 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 2025, the Authority maintained individual owner contingencies for each project in New Horizon with total budgeted owner reserves of \$255.7 million (or 8.6% of the total budget), of which \$197.7 million (or 77.3%) 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 11% of the cost of each such project is expected to be allocated to contingency and escalation costs combined. New Horizon I and New Horizon II also carry program contingency amounts of \$26.9 million and \$65.0 million, respectively.

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

Anticipated Funding Sources for Authority's Capital Program

As of the date of this Official Statement, the Authority's Capital Program has an estimated cost of \$5.362 billion. Most of the costs of the Authority's Capital Program (\$3.891 billion or 72.6%) have been or are expected to be funded with proceeds of the Series 2019 Subordinate Bonds, the Series 2022 Senior Bonds, the Series 2026A/B Senior Bonds and Additional Senior Bonds and/or Additional Subordinate Bonds. The remaining costs of the Authority's Capital Program are expected to be funded with a combination of federal and state grants, CFCs and Authority cash. The following table sets forth the expected funding sources for the Authority's Capital Program.

Anticipated Funding Sources for Authority's Capital Program
(dollars in millions)

Element of Authority's Capital Program	Total Cost ⁽¹⁾	Previously Issued Bonds ⁽²⁾	Series 2026A/B Senior Bonds	Additional Senior/ Subordinate Bonds	Federal Grants	State Grants	CFCs	Authority Cash
BNA Vision	\$1,477.4	\$1,406.6	–	–	–	\$49.4	\$6.5	\$14.9
New Horizon I	1,620.0	199.4	\$698.0	\$560.6	–	87.0	–	75.0
New Horizon II	1,337.5	2.4	194.4	466.0	\$40.5	39.8	594.4	–
CIP	<u>927.6</u>	<u>19.7</u>	<u>133.5</u>	<u>210.7</u>	<u>15.0</u>	<u>–</u>	<u>–</u>	<u>548.7</u>
Total ⁽¹⁾	<u>\$5,362.4</u>	<u>\$1,628.1</u>	<u>\$1,025.8</u>	<u>\$1,237.3</u>	<u>\$55.5</u>	<u>\$176.2</u>	<u>\$600.9</u>	<u>\$638.6</u>

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

⁽²⁾ Includes proceeds of the Series 2019 Subordinate Bonds and the Series 2022 Senior Bonds.

Source: Metropolitan Nashville Airport Authority

For additional information on estimated project costs of the Authority's Capital Program and anticipated funding sources, see "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – 3. Airport Facilities and Capital Program – 3.4. Authority's 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.

Airport Projects Not Included in Authority's Capital Program

Terminal 2. The Airport's passenger terminal complex cannot be significantly expanded beyond the 70 gate positions (69 aircraft gates) planned as part of the Authority's Capital Program. To accommodate future passenger growth above 40 million annual passengers and aircraft gate demand beyond 69 aircraft gates, the Authority has begun the initial planning of a second terminal building at the Airport (currently referred to as "Terminal 2"). The Authority has identified a 309-acre site to the south of the existing passenger terminal complex as the preferred location for a future Terminal 2. Initial conceptual layouts contemplate a 50-year plan that consists of four phases. The first phase could provide approximately 20 aircraft gates and associated terminal building and parking facilities, and then incremental demand driven phases beyond that could be undertaken to expand those facilities approximately 10-15 gates at a time. The full plan could provide up to a total of 70 aircraft gates in Terminal 2, for a total of 140 gate positions at the Airport to accommodate over 70 million annual passengers. While the Authority is prudent in planning for long-term future needs, the timing and need for any capital investments related to Terminal 2 is uncertain at this time and has not yet been established. Terminal 2 is not included in the Authority's Capital Program.

Music City Loop. In July 2025, State and U.S. officials announced that The Boring Company (originally founded as a subsidiary of Space X (an Elon Musk company)) would construct a 10-mile underground transit tunnel (known as the "Music City Loop") that would connect the Airport to downtown Nashville. Initially, the system is expected to deploy human-driven Tesla vehicles but would ultimately utilize a fleet of autonomous electric cars to shuttle passengers. According to The Boring Company, the privately funded project was originally expected to begin in late 2025 and could be operational as early as late 2026. The project faces a number of regulatory requirements, requiring 45 separate permits and approvals from the Tennessee Department of Transportation and other agencies for the tunnelling work. According to news reports, The Boring Company has begun geotechnical studies with respect to the project. The Authority will have no financial or other obligations with respect to the project. The Authority has begun preliminary review to determine what, if any, facility improvements would need to be made at the Airport to accommodate the project (i.e. a station for picking up and dropping off passengers), any financial or operational impacts associated with this project and identifying any potential revenue agreements related to ridership. There is currently no agreement between The Boring Company and the Authority, however, discussions are on-going. No potential Authority costs associated with the Music City Loop are included in the Authority's Capital Program.

REPORT OF THE AIRPORT CONSULTANT AND RATE COVENANT PROJECTIONS

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 2026A/B 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 projections 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 projection is subject to uncertainties. Inevitably, some assumptions used to develop the projections will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between projected 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’s Capital Program, analyses of historical airline service and passenger traffic, analyses of historical Authority revenues and expenses, and financial projections 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 Projection Period. For additional information on historical and projected 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 projections 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. See “APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – 4. Financial Framework and Analysis” for a discussion of the assumptions that were incorporated into the long-term projections of the Airport Consultant.

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

Projected Debt Service Coverage and Cost Per Enplaned Passenger

The following table, which has been extracted from the Report of the Airport Consultant, presents projected 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 Projection Period. The projections indicate compliance with the rate covenants under the Senior Bond Resolution and the Subordinate Bond Resolution for each Fiscal Year of the Projection Period. Additionally, in the Report of the Airport Consultant, the Airport Consultant concludes that the airline CPE throughout the Projection Period appears within reasonable levels of affordability for the airlines and is comparable to other major airports undergoing major capital programs.

The projected 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 projected 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 projected financial information.

Neither the Authority’s independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the projected 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 projected financial information.

The assumptions and estimates underlying the projected 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 projected financial information, including, among others, the risks and uncertainties described under “CERTAIN INVESTMENT CONSIDERATIONS” below. Accordingly, there can be no assurance that the projected 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 projected financial information. Inclusion of the projected financial information in this Official Statement should not be regarded as a representation by any person that the results contained in the projected financial information will be achieved.

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

Fiscal Year	Net Revenues	Senior Net Debt Service⁽¹⁾	Senior Debt Service Coverage Ratio⁽²⁾	Subordinate Net Debt Service⁽³⁾	Senior and Subordinate Debt Service Coverage Ratio⁽²⁾	Airline CPE
2026	\$183,759	\$51,588	3.81x	\$30,232	2.35x	\$10.91
2027	194,752	63,773	3.30	30,091	2.17	11.39
2028	217,631	86,827	2.76	30,087	1.96	12.55
2029	272,636	159,203	1.96	30,084	1.54	15.83
2030	315,364	204,059	1.80	30,095	1.45	17.48
2031	324,559	207,048	1.82	30,084	1.47	17.11
2032	333,603	205,294	1.88	30,092	1.52	16.73

⁽¹⁾ Includes debt service on the Series 2003B Senior Bonds, the Series 2015 Senior Bonds (assumes the Series 2015 Senior Bonds are not refunded, See “PLAN OF FINANCE – Refunding of Series 2015 Senior Bonds), the Series 2022 Senior Bonds, the Series 2026A/B Senior Bonds, the Additional Senior Bonds assumed to be issued in Fiscal Year 2027 in an aggregate principal amount of approximately \$880.6 million, and the Additional Senior Bonds assumed to be issued in Fiscal Year 2029 in an aggregate principal amount of approximately \$511.9 million. For purposes of the table only: (a) the Series 2026A Senior Bonds are assumed to be issued in the aggregate principal amount of \$477.3 million and bear interest at interest rates between 5.00% and 5.25%; (b) the Series 2026B Senior Bonds are assumed to be issued in the aggregate principal amount of \$684.5 million and bear interest at interest rates between 5.00% and 5.50%; (c) the Additional Senior Bonds expected to be issued in Fiscal Year 2027 are assumed to be issued in the aggregate principal amount of \$880.6 million and bear interest at an interest rate of 6.00%; and (d) the Additional Senior Bonds expected to be issued in Fiscal Year 2029 are assumed to be issued in the aggregate principal amount of \$511.9 million 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 and PFCs.

⁽²⁾ Includes amounts available for transfer from the Nashville Airports Experience (NAE) Fund.

⁽³⁾ 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 PFCs.

Source: Report of the Airport Consultant.

AUTHORITY SUSTAINABILITY AND SMALL BUSINESS DEVELOPMENT EFFORTS

Sustainability 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. 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 fleet of 28 environmentally friendly parking shuttle buses at the Airport. These buses, which transport travelers between the parking lots at the Airport and the terminal, are fueled by clean-burning compressed natural gas (“CNG”). In January 2024, the Authority received 22 additional CNG shuttle vehicles, that provide landside shuttle bus service for the public parking lots and the employee parking lots. 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%.

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 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. The new Terminal Garage 1 includes 2,600 covered parking spaces convenient to the terminal, a 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. The initial phase of the reconstruction and expansion of Concourse D (which included six aircraft gates) opened in July 2020 and the expansion of Concourse D (which included an additional five aircraft gates) opened in July 2025, earned USGBC’s LEED Silver certification. The approximately 298,000-square-foot concourse features eleven 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 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.

Electric Shuttle Buses (Satellite Concourse). The Authority transports passengers and employees between the main terminal building and the Satellite Concourse via nine electric shuttle buses.

Satellite Concourse. The new Satellite Concourse incorporates sustainable principles, as appropriate, into its design. Certain of the sustainable principles incorporated into the design of the Satellite Concourse 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.

Small Business Development Efforts

Historically, the Authority has been committed to encouraging the use of small businesses and creating opportunities for small businesses to successfully participate in Authority contracts. In August 2025, the Board authorized the establishment of the Office of Small Business Development (the “SBD Office”), which replaces the previous Department of Business Diversity Development. The primary responsibilities of the SBD Office include: (i) conducting outreach efforts and notifying program participants of contracting opportunities; (ii) monitoring and enforcing compliance on locally and federally funded contracts; (iii) providing training and technical assistance to prime contractors and subcontractors; and (iv) reviewing workforce development initiatives of prime contractors and subcontractors.

CERTAIN INVESTMENT CONSIDERATIONS

The purchase and ownership of the Series 2026 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 2026 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 2026 Senior Bonds. The information contained in this Official Statement relates solely to the Series 2026 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 2026 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 2026 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 2026 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 – 2. Air Service and Traffic Analysis – 2.3. Key Factors Affecting Air Traffic Demand.”

Series 2026 Senior Bonds are Special Limited Obligations

The Series 2026 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 2026 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 2026 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 2026 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.

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 2026 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 fares 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 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, costs of aviation fuel, world health concerns, airline concentration and industry workforce shortages and aircraft shortages. Additional factors affecting the airline industry are described below.

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. A lack of sustainable economic growth or unexpected events could negatively affect, among other things, financial markets, commercial activity and consumer spending. Increases in inflation also can have a negative impact on passenger traffic if inflation increases at a faster rate than income. See also “APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – 2. Air Service and Traffic Analysis – 2.3. Key Factors Affecting Air Traffic Demand – 2.3.1. Economic Conditions and Exogenous Events.”

Additionally, foreign trade and federal trade policy, including the escalation of tariffs globally, may impact the global economy generally and the aviation industry in particular. Beginning in January 2025, the current federal administration has announced numerous Executive Orders implementing tariffs on imports from many countries. In response, some countries have imposed retaliatory tariffs on certain U.S. exports. These tariffs may significantly impact air travel and cargo operations. Increased tariffs on steel, aluminum, and imports from other countries may lead to increased costs for aircraft manufacturing, maintenance and spare parts. These cost increases may lead to higher operational expenses for airlines, potentially resulting in increased passenger fares and freight rates. In the air cargo sector, the removal of

the “de minimis” exemption for low-value goods may disrupt e-commerce shipments, reducing demand for air freight and complicating supply chains. Tariffs may also cause manufacturers to shift production locations and logistic strategies, creating uncertainty for cargo operators and reshaping trade flows. These measures may slow air cargo growth and increase costs across the aviation industry. However, the full impact of these and any future tariffs is uncertain and cannot be predicted at this time.

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 \$2.54 per gallon during 2024. For comparison purposes, according to the U.S. Bureau of Transportation Statistics, between 2018 and 2022, the price of aviation fuel averaged approximately \$2.18 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.

World Health Concerns. Travel restrictions, as well as other public health measures, may be imposed to limit the spread of communicable diseases that may arise. The COVID-19 pandemic had an adverse effect on domestic and international travel and a number of travel-related industries, and severely and broadly disrupted local and global economies.

Other previous travel alerts or advisories include the 2016 travel alert by the U.S. Centers for Disease Control and Prevention, warning pregnant women to avoid travel to areas where outbreaks of the Zika virus, which was linked to birth defects, were occurring. In 2009, the World Health Organization and the U.S. Department of Health and Human Services (through the Secretary of the Department of Homeland Security) declared public health emergencies as the result of the outbreaks of a serious strain of H1N1 influenza. In spring 2003, there was an outbreak of a serious strain of bird flu in Asia and Canada called Severe Acute Respiratory Syndrome. or “SARS.”

Future outbreaks or pandemics could again lead to decreases in air traffic, at least for a temporary period, which in turn, could cause a further decrease in passenger activity at the Airport and a corresponding decline in Revenues. A disruption to the global supply chain due to a pandemic also can stall manufacturing and construction operations, which in turn could interfere with the implementation of the Authority’s Capital Program and other operations, or the operations of the airlines operating at the Airport.

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, or in the process of 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; (f) in September 2024, Alaska Air Group acquired Hawaiian Airlines; and (g) on January 11, 2026, Allegiant Air and Sun Country Airlines entered into a merger agreement, pursuant to which, Allegiant will purchase Sun Country. The merger remains subject to federal regulatory approval, and upon successful completion of the merger, the combined airline is expected to operate under the Allegiant name. 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.

Additionally, the national air traffic control system has been affected by a shortage of air traffic controllers. These labor shortages are ongoing and could have an impact on the airline system generally and on operations at the Airport and the Authority's revenues and financial condition.

See also "APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – 2. Air Service and Traffic Analysis – 2.3. Key Factors Affecting Air Traffic Demand – 2.3.2. The U.S. Airline Industry – 2.3.2.3. Aircraft and Personnel Shortages."

Aircraft Shortages. After retiring numerous aircraft during the COVID-19 pandemic, airlines are struggling to acquire sufficient aircraft to meet growing demand for air service in the United States and abroad. Those challenges are compounded because aircraft manufacturers, including Airbus and Boeing, have experienced delays in producing and delivering aircraft. Such delays result from several factors, including supply-chain disruptions, staffing shortages and FAA certification delays. Delays in aircraft

delivery may hamper airlines' ability to increase capacity to meet travel demand. If such aircraft-delivery delays persist, airlines could reduce service domestically and internationally, including from the Airport.

Southwest Airlines - The Airport's Largest Carrier

In Fiscal Year 2025, Southwest accounted for approximately 53.7% of the total enplaned passengers at the Airport. In Fiscal Year 2025, approximately 18.1% of Southwest's traffic at the Airport was connecting traffic, and approximately 81.9% 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 "focus cities" throughout the country, pursuant to which it emphasizes carrying O&D traffic. 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.

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 2026 Senior Bonds.

Since December 2000, several airlines that currently operate at the Airport, including, among others, Delta Air Lines, United Airlines, American Airlines and Spirit Airlines, have filed for and reorganized under bankruptcy protection. On August 29, 2025, Spirit Airlines filed for Chapter 11 bankruptcy protection, the second filing in the last twelve months. Spirit Airlines previously filed for Chapter 11 bankruptcy protection in November 2024, and emerged from that bankruptcy reorganization in March 2025. 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 2026 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 2026 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 – 3. Airport Facilities and Capital Program – 3.4. Authority’s Capital Program Plan of Finance – 3.4.6. Passenger Facility Charge Revenues” 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 2026 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 2026 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 2026 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 2026 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 2026 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 – 2. Air Service and Traffic Analysis – 2.3. Key Factors Affecting Air Traffic Demand – 2.3.2. The U.S. Airline Industry – 2.3.2.2. Evolution of the U.S. Airline Industry.”

Aviation Security and Safety Concerns

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.

Terrorist attacks and threats of terrorism have had, and may continue to have negative impacts on 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. In addition to the terrorist attacks of September 11, 2001, 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.

Since 2018 several airline crashes and mid-air incidents have occurred around the world, including, among others (a) a Boeing 737 MAX aircraft operated by Lion Air crashed off the coast of Indonesia killing all onboard, (b) a Boeing 737 MAX aircraft operated by Ethiopian Airlines crashed in Ethiopia killing all onboard, (c) a panel in the aircraft fuselage of a Boeing 737 MAX aircraft operated by Alaska Airlines blew out mid-flight (all passengers survived), (d) a PSA Airlines Bombardier CRJ700 regional jet operated by American Airlines collided with a helicopter on final approach to Reagan Washington National Airport killing all on board the plane and the helicopter, (e) a CRJ regional jet operated by Endeavor Air crashed while landing at Toronto Pearson International Airport (all passengers survived), and (f) a Boeing 787-8 Dreamliner operated by Air India crashed soon after takeoff in Ahmedabad, India killing all but one onboard and killing 19 people and injuring 67 others on the ground. Travel behavior may be affected by anxieties about the safety of flying, which may give rise to the avoidance of air travel generally and the switching from air to surface travel modes.

See also “APPENDIX A – REPORT OF THE AIRPORT CONSULTANT – 2. Air Service and Traffic Analysis – 2.3. Key Factors Affecting Air Traffic Demand – 2.3.4. Aviation Security and Safety.”

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

Capacity limitations on the national air traffic control system have caused aircraft delays and restrictions, both on the number of aircraft movements in certain air traffic routes and on the number of landings and takeoffs at certain airports. These restrictions affect airline schedules and passenger traffic nationwide. The FAA is gradually automating and enhancing the computer, radar, and communications equipment of the air traffic control system and assisting in the development of additional airfield capacity through the construction of new runways and the more effective use of existing runways. The FAA has recently announced its plan to update the air traffic control system by 2028. This modernization project includes plans to replace aging equipment, improve safety, and reduce delays. The plan includes building six new air traffic control centers, replacing 25,000 radios and 475 voice switches, and upgrading 618 radar systems. However, prior to the FAA's increase of air traffic controllers and its updates to air traffic control systems over the next few years, increasing demands on the national air traffic control and airport systems could cause increased delays and restrictions in the future, such as delays that have recently occurred in Newark, Denver, and other major airports. The projections of the Airport Consultant are conditioned on the assumption that during the Projection 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 – 2. Air Service and Traffic Analysis – 2.3. Key Factors Affecting Air Traffic Demand – 2.3.5. National Air Traffic Capacity.”

Capacity of the Airport; Cost and Schedule of Authority's 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 schedule for the Authority's 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's 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) tariffs, (l) litigation, (m) delays in permitting, (n) environmental issues, and (o) the availability of the various anticipated funding sources, etc., in the amounts and at the times currently projected. No assurance can be given that any portion of the Authority's 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's 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's 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'S 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's 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.

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 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.

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 "– Climate Change Issues and Possible New Regulations" below.

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's 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 projected 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 projected. 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's 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 Protection (“CBP”), 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 May 16, 2024, with the passage of the 2024 FAA Reauthorization Act, which, among other things, provides funding for the FAA and AIP through September 30, 2028.

Failure to adopt such legislation may have a material, adverse impact on, among other things, (i) federal funding received by the Authority, including under 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.

Additionally, since 1981, there have been several federal government shutdowns, most of which only lasted several days, that resulted from Congress not appropriating funding for federal agencies, including the FAA and the TSA. Between October 1, 2025 and November 11, 2025, the longest ever federal government shutdown occurred. On November 4, 2025, the U.S. Department of Transportation and the FAA reduced the number of flights throughout the country as a result of reduced staffing at the FAA and the TSA. On November 12, 2025, Congress passed and the President signed legislation approving funding for the federal government through January 30, 2026. Flight operations throughout the country returned to normal following passage of the new legislation. Future government shutdowns, caused by failure to pass appropriations bills, may again affect FAA and TSA staffing and budgets. Shortfalls to such budgets can result in staffing shortages and traffic delays and cancellations at airports across the United States, including at the Airport. The impact of potential future government shutdowns on the aviation industry in general, and the Authority specifically, including from potential layoffs, furloughed federal employees responsible for federal airport screening, air traffic control, and CBP, is unknown.

There can be no assurance that Congress will enact and the President will sign federal appropriation legislation or future FAA reauthorization which may require the Authority to fund capital expenditures currently expected 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’s 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.

In addition, federal funding can be impacted by shifts in federal policy priorities. The current federal administration has recently issued a series of executive orders and implemented policies purporting to suspend or limit federal spending and funding to state and local governments, including airports. Certain of these actions have been challenged and in some cases enjoined. These federal policies, and potentially future federal policies, if implemented, may adversely impact federal revenues received by the Authority.

It is difficult for the Authority to predict whether and to what extent there will be changes in federal funding or the potential effect of such changes on the finances and operations of the Authority. However, the Authority continues to monitor potential changes to federal funding and adjust its policies and operations as needed. A reduction in federal funds received by the Authority could lead to adjustments to

projects in the Authority's Capital Program and/or increases in the amount of capital or other expenditures that the Authority needs to fund from other sources, including operating revenues, PFCs and proceeds of Additional Senior Bonds and/or Additional Subordinate Bonds. However, based on information currently available to the Authority, the Authority does not expect reductions in federal funding to have a material impact on the Authority's finances or operations.

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.

Potential Limitation of Tax Exemption of Interest on Series 2026 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 2026 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 Code or court decisions may also cause interest on the Series 2026 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 Code or court decisions may also affect the market price for, or marketability of, the Series 2026 Senior Bonds. Prospective investors of the Series 2026 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 projections are subject to uncertainties. The Report of the Airport Consultant should be read in its entirety regarding all of the assumptions used to prepare the projections 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 projections will not be realized and unanticipated events and circumstances may occur. Therefore, the actual results achieved during the Projection 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 Depositary 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 2026 Senior Bonds or the use of the proceeds of the Series 2026 Senior Bonds or which questions or contests the validity of the Series 2026 Senior Bonds or the proceedings and authority under which they are to be issued, executed and delivered. Except the 2023 State legislation that is attempting to change how the Board is appointed and the resulting legal action taken by the Metropolitan Government challenging such legislation, which is described in more detail under "THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY – Board of Commissioners," 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 2026 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 2026B Senior Bond or Series 2026D Senior Bond for any period during which the Series 2026B Senior Bond or Series 2026D 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 2026B Senior Bonds or Series 2026D Senior Bonds or a "related person," (ii) interest on the Series 2026A Senior Bonds and the Series 2026C Senior Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code, (iii) interest on the Series 2026B Senior Bonds and the Series 2026D Senior Bonds is treated as a preference item in calculating the alternative minimum tax under the Code, and (iv) interest on the Series 2026 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 2026 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 2026 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 2026 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 2026 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 2026 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 2026 Senior Bonds in order that interest on the Series 2026 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 2026 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 2026 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 2026 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 2026 Senior Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Series 2026 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 2026 Senior Bonds.

Prospective owners of the Series 2026 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 2026 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 2026 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 2026 Senior Bonds. In general, the issue price for each maturity of Series 2026 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 2026 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 2026 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 2026 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 2026 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 2026 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 2026 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 2026 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 2026 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 2026 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 2026 Senior Bonds under federal or state law or otherwise prevent beneficial owners of the Series 2026 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 2026 Senior Bonds.

Prospective purchasers of the Series 2026 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 2026 Senior Bonds, the Authority will enter into the Continuing Disclosure Agreement for the benefit of the holders of the Series 2026 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 2026 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 Authority previously entered into continuing disclosure undertakings with respect to the Existing Senior Bonds and the Existing Subordinate Bonds, as an “obligated person” under the Rule (the “Undertakings”). In the previous five year period beginning on December 1, 2020 and ending on December 1, 2025, the Authority complied with the Undertakings.

LEGAL MATTERS

Certain legal matters incident to the authorization, issuance, validity, sale and delivery of the Series 2026 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 opinions (in substantially the forms attached hereto as “APPENDIX F – FORMS OF OPINIONS OF BOND COUNSEL”) will be delivered concurrently with the issuance of the Series 2026 Senior Bonds.

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

In rendering its legal opinions, Bond Counsel will reply upon the opinion of Adams and Reese LLP with respect to the effect of the case of *The Metropolitan Government of Nashville and Davidson County vs Bill Lee et al.* on the validity of the actions taken by the current Board in adopting the Senior Bond Resolution. See “THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY – Board of Commissioners.”

The proposed text of the legal opinions of Bond Counsel is attached hereto as “APPENDIX F – FORMS OF OPINIONS OF BOND COUNSEL.” The actual legal opinions 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 2026 Senior Bonds.

Certain legal matters in connection with the Series 2026 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 2026 Senior Bonds. Certain legal matters will be passed upon for the Underwriters by Squire Patton Boggs (US) LLP, Cleveland, Ohio, as Underwriters’ Counsel.

The legal opinions to be delivered concurrently with the delivery of the Series 2026 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 Years ended June 30, 2025 and 2024 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 Years ended June 30, 2025 and 2024 are attached hereto as “APPENDIX B – ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024.” 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 YEARS ENDED JUNE 30, 2025 AND 2024.”

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 2026 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 2026 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

Fitch Ratings (“Fitch”), Kroll Bond Rating Agency, Inc. (“KBRA”), and S&P Global Ratings (“S&P,” and collectively with Fitch and KBRA, the “Rating Agencies”) have assigned ratings of “A+” (positive outlook), “AA” (stable outlook) and “AA-” (stable outlook), respectively to the Series 2026 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 2026 Senior Bonds. The Authority has not undertaken any responsibility to oppose any such revision, suspension or withdrawal.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Upon delivery of the Series 2026C Senior Bonds and the Series 2026D Senior Bonds, the Verification Agent will deliver a report stating that the firm has verified the mathematical accuracy of certain computations relating to the adequacy of the proceeds of the Series 2026C Senior Bonds and the Series 2026D Senior Bonds and the other available moneys to be contributed by the Authority to pay the redemption price of and accrued interest on the Refunded Series 2015 Senior Bonds on February 4, 2026.

The verification performed by the Verification Agent will be solely based upon data, information and documents provided to the Verification Agent by the Authority and the Municipal Advisor. The Verification Agent will restrict its procedures to recalculating the computations provided by the Authority and the Municipal Advisor and will not evaluate or examine the assumptions or information used in the computations.

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, Samuel A. Ramirez & Co., Inc., and Siebert, Williams, Shank & Co., LLC (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 2026 Senior Bonds at a price equal to \$1,362,239,886.13 (representing the principal amount of the Series 2026 Senior Bonds of \$1,267,440,000.00, plus an original

issue premium of \$97,222,405.35, less an Underwriters' discount in the amount of \$2,422,519.22). The Bond Purchase Agreement provides that the obligations of the Underwriters to purchase and accept delivery of the Series 2026 Senior Bonds are subject to various conditions of the Bond Purchase Agreement, but the Underwriters will be obligated to purchase all of the Series 2026 Senior Bonds, if any are purchased. The Underwriters reserve the right to join with dealers and other underwriters in offering the Series 2026 Senior Bonds to the public.

The prices and other terms with respect to the offering and sale of the Series 2026 Senior Bonds may be changed from time to time by the Underwriters after such Series 2026 Senior Bonds are released for sale, and the Series 2026 Senior Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers whom may sell the Series 2026 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 2026 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 two paragraphs have been provided by BofA Securities, Inc. 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 2026 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, Inc. may distribute Series 2026 Senior Bonds to MLPF&S, which may in turn distribute such Series 2026 Senior Bonds to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2026 Senior Bonds.

J.P. Morgan Securities LLC ("J.P. Morgan"), one of the Underwriters of the Series 2026 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 2026 Senior Bonds from J.P. Morgan at the original issue price less a negotiated portion of the selling concession applicable to any Series 2026 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 2026A/B Senior Bonds to pay 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 2026 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 2026A/B Senior Bonds in connection with the payment by the Authority of 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 2026 Senior Bonds and payment of 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 2026 Senior Bonds, the security for and the source for repayment for the Series 2026 Senior Bonds and the rights and obligations of the holders of the Series 2026 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 projections, 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 projections 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 2026 Senior Bonds.

[Remainder of page intentionally left blank]

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 2026 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

[PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A

REPORT OF THE AIRPORT CONSULTANT

[PAGE INTENTIONALLY LEFT BLANK]



Appendix A

Report of the Airport Consultant

Airport Improvement Revenue Bonds, Series 2026

December 29, 2025

PREPARED FOR
Metropolitan Nashville Airport Authority

PREPARED BY
Landrum & Brown, Incorporated



4445 Lake Forest Drive
Suite 700
Cincinnati, OH 45242
USA
T +1 513 530 5333
F +1 513 530 1278
landrum-brown.com

December 29, 2025

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 2026A (Non-AMT) and Series 2026B (AMT)

Dear Mr. Kreulen:

Landrum & Brown, Incorporated (L&B) is pleased to submit this Report of the Airport Consultant (Report) for the proposed issuance of the Metropolitan Nashville Airport Authority's (MNA or Authority) Airport Improvement Revenue Bonds, Series 2026A (Non-AMT) and Series 2026B (AMT), herein referred to collectively as the Series 2026 Senior New Money Bonds. In addition to the Series 2026 Senior New Money Bonds, the Authority expects to issue its Airport Improvement Revenue Bonds, Refunding Series 2026C (Non-AMT) and Refunding Series 2026D (AMT) (Series 2026 Senior Refunding Bonds, and collectively with the Series 2026 Senior New Money Bonds, the Series 2026 Senior Bonds) to refund the Authority's Airport Improvement Revenue Bonds, Series 2015A (Non-AMT) and Series 2015B (AMT). 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 2026 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 December 1, 2025, the Authority has outstanding \$770,515,000 in aggregate principal amount of its Airport Improvement Revenue Bonds (Existing Senior Bonds). The Existing Senior Bonds, the Series 2026 Senior Bonds, and any Additional Senior Bonds (Existing Senior Bonds, the Series 2026 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 equalled 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.

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

Series 2026 Senior Bonds

The Authority is planning to issue the Series 2026 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) refund and defease all or a portion of the Senior Series 2015 Bonds, (4) fund capitalized interest on the Series 2026 Senior New Money Bonds, (5) fund a deposit to the Airport Improvement Bond Reserve Fund to meet the Airport Improvement Bond Reserve Fund Requirement, and (6) pay certain costs of issuance related to the Series 2026 Senior Bonds.

This Report does not take into consideration any debt service savings associated with the refunding of the Senior Series 2015 Bonds resulting from the Series 2026 Senior Refunding Bonds.

Subordinate Bonds and Subordinate Resolution

As of December 1, 2025, the Authority has outstanding \$908,700,000 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 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 \$400 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 December 29, 2025, approximately \$242.5 million has been drawn down and is 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 2026 Senior New Money Bonds. On or about the date of closing of the Series 2026 Senior Bonds, the available commitment under the Note Purchase Agreement will be reduced to approximately \$100 million, which will be available to the Authority to provide a source of interim financing to fund, among other things, certain elements of the Authority's Capital Program.

Signatory Airline Use and Lease Agreements

The Authority entered into Signatory Airline Use and Lease Agreements (Signatory AULAs), effective beginning July 1, 2023, with Alaska Airlines (Alaska), Allegiant Airlines (Allegiant), American Airlines (American), Delta Air Lines (Delta), FedEx, Frontier Airlines (Frontier), JetBlue Airways (JetBlue), Southwest Airlines (Southwest), Spirit Airlines (Spirit), and United Airlines (United). The Signatory AULAs establish, among other arrangements, 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 AULAs and their operating affiliates (together, the Signatory Airlines), accounted for over 97% of enplaned passengers at the Airport in Fiscal Year (FY)² 2025.

The Signatory AULAs 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 fees and Passenger Loading Bridge fees are also assessed. The Signatory AULAs have a “hybrid” airline rate-setting methodology; with the Landing Fees being calculated on a residual basis and Terminal and Terminal Ramp Area fee rates generally established through compensatory methodologies. Other than the Airfield cost center, the Signatory Airlines are not required to provide for break-even financial operation of the Airport under the Signatory AULAs.

The Signatory AULAs 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 Use Premises, Preferential Use Premises, and Joint Use Premises. Exclusive Use 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 aircraft 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 include baggage claim areas and baggage makeup equipment.

Passenger airlines and air 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 AULAs.

The Signatory AULAs expire on June 30, 2031, however, pursuant to the Signatory AULAs, if the Date of Beneficial Occupancy (DBO) for the Concourse A Reconstruction (described in this Report) does not occur by July 1, 2028, the term of the agreement will automatically be extended by two years and expire on June 30, 2033. The current expected DBO for the Concourse A Reconstruction project is July 11, 2028, therefore, for the purposes of this Report, the assumed expiration date of the Signatory AULAs is June 30, 2033.

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 Projection Period of FY 2026 through FY 2032 (Projection Period). The following provides an overview of the primary findings and conclusions contained in the Report.

² The Authority’s Fiscal Year is the 12-month period ending June 30.

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 busiest 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 is one of the fastest growing large regions in the U.S. From 2014 through 2019, the MSA increased at a compound annual growth rate (CAGR) of 1.9%, the 5th fastest rate of large MSAs.³ Since the Coronavirus disease 2019 (COVID-19) pandemic, growth in the region has not slowed. According to the United States Census Bureau, the Nashville MSA added 128,809 people from 2020 through 2024, the 15th most of all MSAs.

From calendar year (CY) 2015 through CY 2019, BNA was one of the fastest growing airports in the nation. The Airport had approximately 8.9 million enplaned passengers in CY 2019, ranking 31st in the U.S. 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 COVID-19 pandemic. Despite the decline, the Airport's ranking improved to 27th in the U.S. in CY 2020, resulting in a recategorization by the Federal Aviation Administration (FAA) from a medium hub to a large hub, as its passenger levels did not decrease as much as other major airports in the U.S. In CY 2021, enplaned passengers increased to approximately 7.6 million, down 15.0% from its CY 2019 level, which was one of the fastest passenger traffic recoveries among the busiest airports in the U.S. Based on data from the FAA, in CY 2024, BNA had approximately 12.1 million enplaned passengers, and was ranked as the 28th busiest airport in the U.S. The Airport has been classified by the FAA as a large hub airport based upon its share of nationwide enplaned passengers since CY 2020.

The Airport primarily serves origin and destination (O&D) passenger traffic, or those that begin or end their travel at the Airport, indicating that most of the passengers using the Airport are from or visiting the surrounding region. In FY 2025, O&D passenger traffic accounted for an estimated 80.6% of the total enplaned passengers at the Airport. The Airport also primarily serves domestic passenger traffic, with approximately 98% of enplaned passengers flying to locations within the U.S. in FY 2025.

The Airport's largest air carrier, Southwest Airlines (Southwest), operates the Airport as a focus city. Southwest enplaned approximately 6.6 million passengers at BNA in FY 2025, accounting for 53.7% of the

³ Large MSAs are defined as those MSAs with a population more than 1.0 million people.

explained passenger market share at the Airport. Southwest generally focuses on serving O&D passenger traffic; however, because of the airline's relative size at the Airport and BNA's somewhat central location within the eastern U.S., it also can be a convenient option for passengers that need to connect. In FY 2025, approximately 18.1% of Southwest's passenger traffic at the Airport was connecting and approximately 81.9% was O&D. The Airport was the 8th busiest airport in terms of daily departures and 7th busiest in terms of seating capacity in Southwest's system in FY 2025. In CY 2024, Southwest operated more than 4,000 flights a day during peak travel seasons, serving 117 destinations across the U.S. and 10 additional countries. Additional information on Southwest and its traffic impact on the Airport is further addressed 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 Projection Period.

Air Service and Air Traffic Analysis

The Airport provides a diverse mix of air service from the primary U.S. airlines and certain foreign flag airlines. As of data available through November 2025, the Airport will have scheduled passenger service during CY 2025 by five U.S. network airlines,⁴ one low-cost carrier (LCC),⁵ five ultra-low-cost carriers (ULCCs),⁶ nine U.S. regional affiliates and commuter airlines, and nine foreign flag and international regional airlines.

As of November 2025, there is scheduled service to a total of 118 destinations (106 domestic and 12 international) from the Airport over the course of CY 2025.⁷ The 118 destinations include new domestic nonstop service to Gulf Shores, Alabama (GUF) which began in November 2025. In October 2025, there were 341 average daily departures serving nonstop service. Southwest has announced expanded service beginning in March 2026. The new service will add four new markets including: Montego Bay, Jamaica; San José, Costa Rica; Knoxville, Tennessee; and Montrose, Colorado. Southwest also announced service to Little Rock, Arkansas.

The Airport is a major part of Southwest's network. In CY 2019, the Airport was the 14th busiest airport in the airline's network. While the airline did reduce capacity during the pandemic, it returned service relatively rapidly and has continued to add capacity. From CY 2019 to CY 2024, the airline has added 2.2 million scheduled departing seats, the 4th most at any airport in its network over that period. In CY 2024, the Airport was the 8th busiest airport in the airline's network based on departing seats in CY 2024.

⁴ For the purposes of this Report, Alaska Airlines, American Airlines, Delta Air Lines, Southwest Airlines, and United Airlines are considered network airlines.

⁵ For the purposes of this Report, JetBlue Airways is considered a low-cost carrier.

⁶ For the purposes of this Report, Allegiant Air, Avelo Airlines, Frontier Airlines, Spirit Airlines, and Sun Country Airlines are considered ultra-low-cost-carriers.

⁷ Some service is seasonal and may not operate in a given month.

Southwest has continued to add service at the Airport. As of October 2025, Southwest has scheduled service during CY 2025 from the Airport to a total of 78 destinations with an average of 158 daily departures. Southwest 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 Mexico and Central America. Southwest serves many of the major markets in the U.S. from the Airport on a nonstop basis. Across its entire system, Southwest operated more than 4,280 flights on peak days⁸ in October 2025, serving 104 destinations across the U.S. and 13 international destinations to 10 countries.

Air Traffic Projections

Projections of air traffic activity were developed based on an analysis of the underlying economic conditions of the ASA, 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 projections including the following:

- The airlines will continue to add aircraft capacity that is, generally, consistent with future demand.
- Long-term nationwide growth in air travel will occur over the Projection Period consistent with projected growth in the economy.
- Southwest will continue to operate the Airport as a focus city. It is assumed that connecting passenger traffic will maintain its share of total enplaned passengers over the Projection Period.
- Spirit's current financial situation could potentially have some short-term impacts to air traffic at the Airport; however, is assumed to have no impact on long-term demand as it serves O&D passengers.
- The domestic network airlines serving the Airport will continue to provide air service to support local long-term demand primarily to and from their hub airports, key focus cities, and larger O&D markets.
- There will be no major disruption of airline service or airline travel behavior nationally or at the Airport over the Projection Period.

Through the first five months of FY 2026, enplaned passengers were up 7.1% as compared to the same months in FY 2025. During the same time, departing seats at the Airport were up 10.5% in FY 2026 when compared to FY 2025, resulting in some softening of load factors. Based on currently published flight schedules for the remainder of FY 2026, airlines are expected to continue to add capacity at the Airport. If current trends continue, there would be continued growth in enplaned passengers in FY 2026. However, while these trends are positive, there are also several potential factors that could result in muted growth in the short-term for FY 2026, which could be occurring as suggested by the decreases in load factors over the first five months of FY 2026. Such key shorter-term factors include the reliability of published airline schedules for the remainder of FY 2026; potential air traffic impacts related to Spirit's financial viability;

⁸ Southwest operates at a higher system-wide capacity on Monday, Thursday, Friday, and Sunday.

supply-side issues related to aircraft, pilots, and air traffic controllers; and impacts from the recent federal government shutdown, or future government shutdowns, that has or could lead to further staffing issues for the TSA and FAA. These factors and issues contribute to ongoing uncertainty in the short-term or over the remainder of FY 2026. The Authority budgeted approximately 12.5 million enplaned passengers for FY 2026. While current data regarding year-to-date traffic and currently published schedules suggest that enplaned passengers could exceed this budget estimate, there is ongoing uncertainty and factors, as described above, that could impact short-term passenger demand. Therefore, for financial feasibility purposes, the Authority's FY 2026 budget was adopted for use in the air traffic projections that serve as the basis for the financial analysis presented in Chapter 4.

For the purposes of this Report, L&B developed an independent long-term projection 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 econometric 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, annual enplaned passengers are projected to increase 3.3% per annum from FY 2026 through FY 2032, from 12.5 million in FY 2026 to 15.2 million in FY 2032. **Table 1** provides the historical Airport traffic from FY 2019 through FY 2025 and projected enplaned passengers and landed weight for the Airport from FY 2026 through FY 2032 used for the financial analysis provided in this Report. As shown, annual growth in landed weight is projected to be somewhat lower than the enplaned passenger growth in order to account for factors such as increases in aircraft load factors and potential changes in aircraft that may occur before additional flight frequencies are added to accommodate passenger growth.

Table 1 Historical and Projected Air Traffic Summary (FY 2019 – FY 2032)

Fiscal Year	Enplaned Passengers		Landed Weight (in million-pound units)	
	Passengers (in thousands)	Year-Over-Year Growth	Total	Year-Over-Year Growth
FY 2019 Actual	8,596	15.1%	9,952	15.2%
FY 2020 Actual	6,858	-20.2%	9,028	-9.3%
FY 2021 Actual	5,152	-24.9%	7,869	-12.8%
FY 2022 Actual	9,218	78.9%	11,043	40.3%
FY 2023 Actual	10,920	18.5%	12,918	17.0%
FY 2024 Actual	11,826	8.3%	13,824	7.0%
FY 2025 Actual	12,385	4.7%	14,395	4.1%
FY 2026 Budget	12,509	1.0%	14,701	2.1%
FY 2027	12,949	3.5%	14,965	1.8%
FY 2028	13,394	3.4%	15,225	1.7%
FY 2029	13,844	3.4%	15,484	1.7%
FY 2030	14,299	3.3%	15,742	1.7%
FY 2031	14,760	3.2%	15,998	1.6%
FY 2032	15,231	3.2%	16,256	1.6%
Range		Average Annual Growth Rate		
FY 2019-25	6.3%	6.3%		
FY 2025-32	3.0%	1.8%		
FY 2026-32	3.3%	1.7%		

Source: Metropolitan Nashville Airport Authority, Passenger Activity Report; Metropolitan Nashville Airport Authority, FY 2026 Budget; Landrum & Brown Analysis.

Authority's Capital Program

The Authority's Capital Program, presented in Chapter 3 of this Report, was developed in response to significant passenger growth and the expectation of continued growth in the region and in passengers. For the purposes of this Report, the Authority's Capital Program comprises the following components:

- BNA Vision
- New Horizon – further categorized as New Horizon I (airside projects) and New Horizon II (landside projects)
- Other capital projects developed as part of the Authority's on-going 5-year Capital Improvement Plan (CIP)⁹

Between FY 2012 and FY 2017, annual enplaned passengers at the Airport increased by approximately 39% from approximately 4.9 million to 6.8 million. In response to this growth, the Authority began developing a capital program in 2017 to enhance the capacity of Airport facilities and meet the growing demand for Airport gates, known as the BNA Vision program. The BNA Vision program has an overall cost of approximately \$1.48 billion, has been fully funded, and has generally been completed.

As air traffic continued to increase dramatically during the planning and implementation of the BNA Vision program, the Authority began undertaking a new capital initiative, New Horizon, which includes additional expansion projects to accommodate future demand beyond what was contemplated when the BNA Vision program was developed.

The total estimated cost of New Horizon is approximately \$2.96 billion, and is divided into New Horizon I, which comprises airside projects and a total estimated cost of approximately \$1.62 billion, and New Horizon II, which comprises landside projects and has an estimated cost of approximately \$1.34 billion.

New Horizon I aims to increase the number of aircraft gates, improve and expand the baggage handling system, and expand the central ramp area, all designed to help accommodate future air traffic growth. The New Horizon I design phase began in August 2022, with construction of the Concourse D Extension beginning in late 2023. New Horizon I is anticipated to be completed by the end of FY 2029. New Horizon II comprises landside projects focused on landside improvements needed to expand roadway, parking and rental car capacity necessary to accommodate future air traffic growth and is currently underway. New Horizon II is anticipated to be completed in FY 2030.

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 5-year 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 needs to enhance capacity at the Airport. In addition to

⁹ Includes assumed expenditures beyond the 5-year planning horizon FY 2026 – FY 2030 through the end of the Projection Period based on average spending levels.

routine vehicle replacement, maintenance equipment repair and replacement, land acquisition, and other ongoing pavement rehabilitation projects, major CIP projects include various concourse upgrades, expansion of the Terminal curbside, taxilane improvements, construction of office space on the mezzanine level of the main terminal building, and the relocation and consolidation of certain Airport facilities including construction of a new operations and data center and a new maintenance complex. For the purposes of this Report, the Other CIP Projects included in the Authority's Capital Program reflect the Authority's on-going 5-year CIP (FY 2026- FY 2030) plus assumed capital expenditures beyond the 5-year CIP through the end of the Projection Period based on average annual expenditures.

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 2026 Senior New Money 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 2026 Senior New Money 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's Capital Program Plan of Finance by Category (Dollars in Millions)

Element	Total Cost	Federal Grants	State Grants	Previously Issued Bonds	Series 2026 Senior New Money Bonds ¹	Future Bonds ²	CFC ³	MNAA Funds
BNA Vision	\$1,477.4	-	\$49.4	\$1,406.6	-	-	\$6.5	\$14.9
New Horizon I	\$1,620.0	-	\$87.0	\$199.4	\$698.0	\$560.6		\$75.0
New Horizon II	\$1,337.5	\$40.5	\$39.8	\$2.4	\$194.4	\$466.0	\$594.4	
Other CIP Projects	\$927.6	\$15.0	-	\$19.7	\$133.5	\$210.7		\$548.7
TOTAL	\$5,362.4	\$55.5	\$176.2	\$1,628.1	\$1,025.8	\$1,237.3	\$600.9	\$638.6

¹ Reflects proceeds of the Series 2026 Senior New Money 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 bond issuances, anticipated to be issued in 2027 (\$769.9 million of project funding) and 2029 (\$467.4 million of project funding). For the purposes of the financial analysis herein, these future issuances are assumed to be Senior Bonds.

³ Includes CFCs used on a cash basis as well as CFCs that may be utilized to support future financings. See Section 3.4.3 herein.

Note: Amounts may not add because of rounding.

Source: Metropolitan Nashville Airport Authority

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 Capital Program as necessary to accommodate evolving priorities with respect to demand-driven traffic activity, operational needs of the Airport, and other factors. The Authority's Capital Program 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 is assumed to be fully funded and completed during the Projection Period.

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 during the Projection Period. As required pursuant to the Senior Bond Resolution Rate Covenant, the Authority is projected to produce Net Revenues, together with other available funds, equal to at least 125% of Debt Service on all Senior Bonds anticipated to be outstanding during the Projection Period, including the Series 2026 Senior Bonds and anticipated future Senior Bonds. In addition, pursuant to the Subordinate Resolution Rate Covenant, the Authority is projected to produce Net Revenues, together with other available funds, equal to at least 110% of Debt Service on all Senior Bonds anticipated to be outstanding during the Projection Period, including the Series 2026 Senior Bonds and anticipated future Senior Bonds, and all Subordinate Bonds anticipated to be outstanding during the Projection Period.

The Authority is projected 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) throughout the Projection Period, comparable with other large hub airports with similar capital programs. Table 3 presents Net Revenues, Senior and Subordinate Debt Service coverage ratios, and airline CPE throughout the Projection Period. Amounts totalling 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, which is reflected in the Debt Service coverage ratios presented in Table 3.

Table 3 **Projected Net Revenue, Debt Service Coverage, and Passenger Airline CPE**
(Dollars in Thousands, Except For CPE)

Fiscal Year	Net Revenue	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
2026	\$183,759	\$51,588	3.81x	\$30,232	2.35x	\$10.91
2027	\$194,752	\$63,773	3.30x	\$30,091	2.17x	\$11.39
2028	\$217,631	\$86,827	2.76x	\$30,087	1.96x	\$12.55
2029	\$272,636	\$159,203	1.96x	\$30,084	1.54x	\$15.83
2030	\$315,364	\$204,059	1.80x	\$30,095	1.45x	\$17.48
2031	\$324,559	\$207,048	1.82x	\$30,084	1.47x	\$17.11
2032	\$333,603	\$205,294	1.88x	\$30,092	1.52x	\$16.73

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 projections 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 projections, any projection is subject to uncertainties. Inevitably, some assumptions used to derive the projections contained herein will not be realized, and unforeseeable events may occur. The actual financial results achieved will vary from those projected, 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 appreciates this opportunity to serve as the Authority's Airport Consultant for this proposed financing.

Sincerely,

A handwritten signature in blue ink that reads "Landrum & Brown, Incorporated". The signature is written in a cursive, flowing style.

Landrum & Brown, Incorporated

Table of Contents

1	Role of the Airport and Economic Base for Air Traffic	1
1.1	Role of the Airport	1
1.1.1	National Role	1
1.1.2	Regional Role	2
1.1.3	Role for Southwest Airlines	7
1.2	Socioeconomic Base for Air Travel	9
1.2.1	Population	10
1.2.2	Employment	16
1.2.3	Income	21
1.2.4	Cost of Living	23
1.2.5	Gross Domestic/Regional Product	25
1.2.6	Regional Tourism and Visitors	26
1.2.7	Proposed Regional Projects	29
1.2.8	Summary	30
2	Air Service and Traffic Analysis	32
2.1	Air Service at the Airport	32
2.1.1	Airlines Operating at the Airport	32
2.1.2	Current Nonstop Service	35
2.1.3	Origin and Destination Markets	35
2.1.4	Airline Revenue Performance at the Airport	38
2.1.5	Southwest Airlines Operations at the Airport	40
2.1.6	Low-Cost and Ultra-Low-Cost Carrier Operations at the Airport	44
2.2	Air Traffic Activity and Trends	45
2.2.1	Enplaned Passengers	45
2.2.2	Aircraft Operations	49
2.2.3	Aircraft Landed Weight	51
2.3	Key Factors Affecting Air Traffic Demand	53
2.3.1	Economic Conditions and Exogenous Events	53
2.3.2	The U.S. Airline Industry	57
2.3.3	Aviation Fuel	63
2.3.4	Aviation Security and Safety	65
2.3.5	National Air Traffic Capacity	65
2.3.6	Environmental and Sustainability-Driven Shifts	66
2.3.7	Telework Trends, Business Travel, and Hybrid Workforce Dynamics	66
2.4	Air Traffic Activity Projections	67
2.4.1	Assumptions	68
2.4.2	Enplaned Passengers Projection	68
2.4.3	Aircraft Landed Weight Projection	70
2.4.4	Activity Summary	70

3	Airport Facilities and Capital Program	72
3.1	Existing Airport Facilities	72
3.1.1	Airfield Facilities	74
3.1.2	Terminal Facilities	74
3.1.3	Grand Plaza	76
3.1.4	Public Parking Facilities	76
3.1.5	Rental Car Facilities	78
3.1.6	Air Cargo and Aircraft Maintenance Facilities	78
3.1.7	Ancillary Facilities	78
3.2	John C. Tune Airport	80
3.3	Authority's Capital Program	81
3.3.1	BNA Vision	81
3.3.2	New Horizon	84
3.3.3	Other Authority CIP Projects	90
3.4	Authority's Capital Program Plan of Finance	92
3.4.1	Federal Grants	93
3.4.2	State Grants	94
3.4.3	Bond Proceeds	94
3.4.4	Customer Facility Charges	95
3.4.5	Authority Funds	95
3.4.6	Passenger Facility Charge Revenues	96
3.5	Demand for Future Gates at the Airport	96
3.5.1	Terminal 2	97
3.6	Music City Loop	98
3.7	Financial Impact of Authority's Capital Program	98
4	Financial Framework and Analysis	99
4.1	Airport Governing Body	99
4.2	Management Structure	99
4.3	Financial Structure	99
4.3.1	Accounting Structure	100
4.3.2	Direct Cost Centers	101
4.3.3	Indirect Cost Centers	102
4.4	Senior Bond Resolution	102
4.4.1	Senior Rate Covenant	103
4.4.2	Additional Senior Bonds	103
4.5	Subordinate Resolution	104
4.5.1	Subordinate Rate Covenant	104
4.5.2	Additional Subordinate Bonds	105
4.6	Note Purchase Agreement (Other Subordinate Obligations)	106
4.7	Flow of Funds	106
4.8	Signatory Airline Use and Lease Agreements	109
4.8.1	Rate-Setting Methodologies in the Airline Cost Centers	110

4.8.2	Revenue Sharing	111
4.8.3	Airline Disapproval Process Relating to Capital Improvement Projects	112
4.9	Other Agreements	113
4.10	The Series 2026 Senior New Money Bonds and Future Bonds	116
4.11	Operating Expenses	119
4.11.1	Allocation of Operating Expenses to Cost Centers	121
4.12	Non-Airline Revenue	122
4.12.1	Parking Revenues	123
4.12.2	Rental Car Concessions	125
4.12.3	Ground Transportation Concessions	125
4.12.4	Terminal Concessions	126
4.12.5	Other Non-Airline Revenues	126
4.13	CFC Revenue	127
4.14	PFC Revenue	128
4.15	Airline Revenues	128
4.15.1	Landing Fees	128
4.15.2	Terminal Rents	129
4.15.3	Terminal Ramp Area Rentals	129
4.15.4	Other Signatory Airline Fees	129
4.16	Airline Cost per Enplaned Passenger	130
4.17	Net Revenues and Debt Service Coverage	130
4.18	Application of Airport Revenues	132

List of Tables

TABLE 1-1	U.S. LARGE HUB AIRPORTS RANKED BY ENPLANED PASSENGERS	3
TABLE 1-2	HISTORICAL POPULATION (CY 2014, CY 2019, CY 2024)	11
TABLE 1-3	TOP 25 EMPLOYERS IN THE AIR SERVICE AREA (CY 2024)	20
TABLE 1-4	SOCIOECONOMIC INDICATORS FORECASTS (CY 2014 – CY 2032)	31
TABLE 2-1	AIRLINES OPERATING AT THE AIRPORT DURING CY 2025 (BASED ON DATA AS OF NOVEMBER 2025)	33
TABLE 2-2	ENPLANED PASSENGER MARKET SHARE AT THE AIRPORT (FY 2020 – FY 2025)	34
TABLE 2-3	TOP 25 DOMESTIC O&D MARKETS FROM THE AIRPORT (CY 2024)	37
TABLE 2-4	TOP 20 SOUTHWEST AIRLINES BUSIEST AIRPORTS RANKED BY DEPARTING SEATS (CY 2024)	41
TABLE 2-5	HISTORICAL ENPLANED PASSENGERS (FY 2015 – FY 2026 THROUGH NOVEMBER)	47
TABLE 2-6	HISTORICAL AIRCRAFT OPERATIONS (FY 2015 – FY 2026 THROUGH NOVEMBER)	50
TABLE 2-7	HISTORICAL LANDED WEIGHT (FY 2015 – FY 2026 THROUGH NOVEMBER)	52
TABLE 2-8	HISTORICAL AND PROJECTED AIR TRAFFIC SUMMARY (FY 2019 – FY 2032)	71
TABLE 3-1	SUMMARY OF AIRPORT GATE POSITIONS	76
TABLE 3-2	BNA VISION PROJECT COSTS AND FUNDING SOURCES (DOLLARS IN MILLIONS)	83
TABLE 3-3	NEW HORIZON I (AIRSIDE) PROJECT COSTS AND FUNDING SOURCES (DOLLARS IN MILLIONS)	87
TABLE 3-4	NEW HORIZON II (LANDSIDE) PROJECT COSTS AND FUNDING SOURCES (DOLLARS IN MILLIONS)	89
TABLE 3-5	OTHER AUTHORITY CIP PROJECT COSTS AND FUNDING SOURCES (DOLLARS IN MILLIONS)	91
TABLE 3-6	AUTHORITY'S CAPITAL PROGRAM ANNUAL CASH FLOW (DOLLARS IN MILLIONS)	92
TABLE 3-7	AUTHORITY'S CAPITAL PROGRAM PLAN OF FINANCE BY CATEGORY (DOLLARS IN MILLIONS)	93
TABLE 4-1	SIGNATORY AULA REVENUE SHARING COMPONENTS	111
TABLE 4-2	SERIES 2026 SENIOR NEW MONEY BONDS SOURCES AND USES (DOLLARS IN THOUSANDS)	117
TABLE 4-3	PLANNED BOND ISSUANCES THROUGH THE PROJECTION PERIOD ¹	118
TABLE 4-4	HISTORICAL OPERATING EXPENSES ¹ (DOLLARS IN THOUSANDS)	119
TABLE 4-5	HISTORICAL AIRPORT NON-AIRLINE REVENUE (DOLLARS IN THOUSANDS) ¹	122

TABLE 4-6	HISTORICAL PUBLIC PARKING RATES AT THE AIRPORT (DAILY MAXIMUM RATES)	124
TABLE 4-7	DEBT SERVICE COVERAGE FORECAST AND PASSENGER AIRLINE CPE FORECAST (DOLLARS IN THOUSANDS, EXCEPT FOR CPE)	132

List of Exhibits

FIGURE 1-1	TOP 30 O&D AIRPORTS IN THE UNITED STATES (CY 2024)	2
FIGURE 1-2	AIR SERVICE AREA AND PROXIMITY TO OTHER AIRPORTS	6
FIGURE 1-3	REGIONAL AIRPORT DOMESTIC AIRFARE COMPARISON (CY 2014 – CY 2024)	7
FIGURE 1-4	ENPLANED PASSENGER MARKET SHARE AT THE AIRPORT (FY 2025)	8
FIGURE 1-5	FASTEST GROWING MSAS (CY 2014 – CY 2024)	10
FIGURE 1-6	HISTORICAL AND FORECAST POPULATION (CY 2014 – CY 2032)	12
FIGURE 1-7	AGE DISTRIBUTION – ASA VERSUS THE U.S. (CY 2023)	14
FIGURE 1-8	EDUCATIONAL ATTAINMENT (2023)	15
FIGURE 1-9	HISTORICAL AND FORECAST EMPLOYMENT (CY 2014 – CY 2032)	16
FIGURE 1-10	HISTORICAL UNEMPLOYMENT RATES (JANUARY 2008 – MAY 2025)	17
FIGURE 1-11	EMPLOYMENT BY INDUSTRY SECTOR (CY 2024)	18
FIGURE 1-12	HISTORICAL AND FORECAST PER CAPITA PERSONAL INCOME (CY 2014 – CY 2032)	21
FIGURE 1-13	DISTRIBUTION OF HOUSEHOLD INCOME (CY 2023)	22
FIGURE 1-14	REGIONAL PRICE PARITY FOR MSAS WITH LARGE HUB AIRPORTS (CY 2023)	24
FIGURE 1-15	HISTORICAL AND FORECAST PER CAPITA GROSS DOMESTIC/REGIONAL PRODUCT (CY 2014 – CY 2032)	25
FIGURE 1-16	HISTORICAL AND FORECAST VISITORS TO NASHVILLE (CY 2018 – CY 2027)	26
FIGURE 2-1	MAP OF NONSTOP DESTINATIONS AT THE AIRPORT (CY 2025)	36
FIGURE 2-2	KEY AIRLINE REVENUE METRICS AT THE AIRPORT (CY 2024)	39
FIGURE 2-3	SOUTHWEST AIRLINES MAP OF NONSTOP DESTINATIONS (DURING CY 2025)	42
FIGURE 2-4	STAGE-LENGTH ADJUSTED RASM AT TOP 20 BUSIEST SOUTHWEST AIRLINES AIRPORTS (CY 2024)	43
FIGURE 2-5	SEATING CAPACITY FOR LCCS AND ULCCS (FY 2014 – FY 2025)	45
FIGURE 2-6	HISTORICAL AIRPORT ENPLANED PASSENGERS (FY 2015 – FY 2026 THROUGH NOVEMBER)	48
FIGURE 2-7	HISTORICAL GROSS DOMESTIC PRODUCT (2007 Q1 – 2025 Q2: SECOND ESTIMATE)	54
FIGURE 2-8	U.S. REAL GDP GROWTH FORECASTS (2025 – 2031)	55
FIGURE 2-9	U.S. AVIATION SYSTEM SHOCKS AND RECOVERIES (THROUGH MAY 2025)	56
FIGURE 2-10	CONSUMER PRICE INDEX (JANUARY 2007 – JULY 2025)	57
FIGURE 2-11	SYSTEMWIDE INCOME MARGIN FOR U.S. CARRIERS (2000 Q1 – 2025 Q1)	58
FIGURE 2-12	U.S. AIRLINE CONSOLIDATION – SYSTEMWIDE SEATING CAPACITY	61
FIGURE 2-13	JET FUEL PRICES (JANUARY 2002 – DECEMBER 2026)	64
FIGURE 3-1	AIRPORT LAYOUT	73

FIGURE 3-2	BNA VISION	82
FIGURE 3-3	NEW HORIZON	85
FIGURE 3-4	AIRPORT GATES AND LONG-TERM DEMAND	97
FIGURE 4-1	AIRPORT SYSTEM COST CENTER STRUCTURE	101
FIGURE 4-2	FLOW OF FUNDS	107

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 State Capitol of Tennessee. 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 (GA) reliever airport located in west Nashville 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 CY 2019, BNA was one of the fastest growing airports in the nation. The Airport had approximately 8.9 million enplaned passengers in CY 2019,¹⁰ ranking 31st in the U.S. In CY 2020, enplaned passengers at the Airport decreased by 55.1% to approximately 4.0 million,¹¹ primarily attributable to the impacts associated with the Coronavirus Disease 2019 (COVID-19) pandemic.¹² Despite the decline, the Airport's ranking improved to 27th in the U.S. in CY 2020 as its passenger levels did not decrease as much as other major airports in the U.S. In CY 2021, enplaned passengers increased to approximately 7.6 million, down 15.0% from its CY 2019 level, which was one of the fastest passenger traffic recoveries among the largest airports in the U.S. Based on data from the Federal Aviation Administration (FAA), in CY 2024, BNA had approximately 12.1 million enplaned passengers,¹³ and was

¹⁰ Federal Aviation Administration, Air Carrier Activity Information System (ACAIS), accessed online at https://www.faa.gov/airports/planning_capacity/passenger_allcargo_stats/passenger.

¹¹ *ibid*

¹² Coronavirus disease 2019 has been named (COVID-19). Worldwide Covid-19 started in 2019 but the effects on the US and at BNA didn't start until 2020.

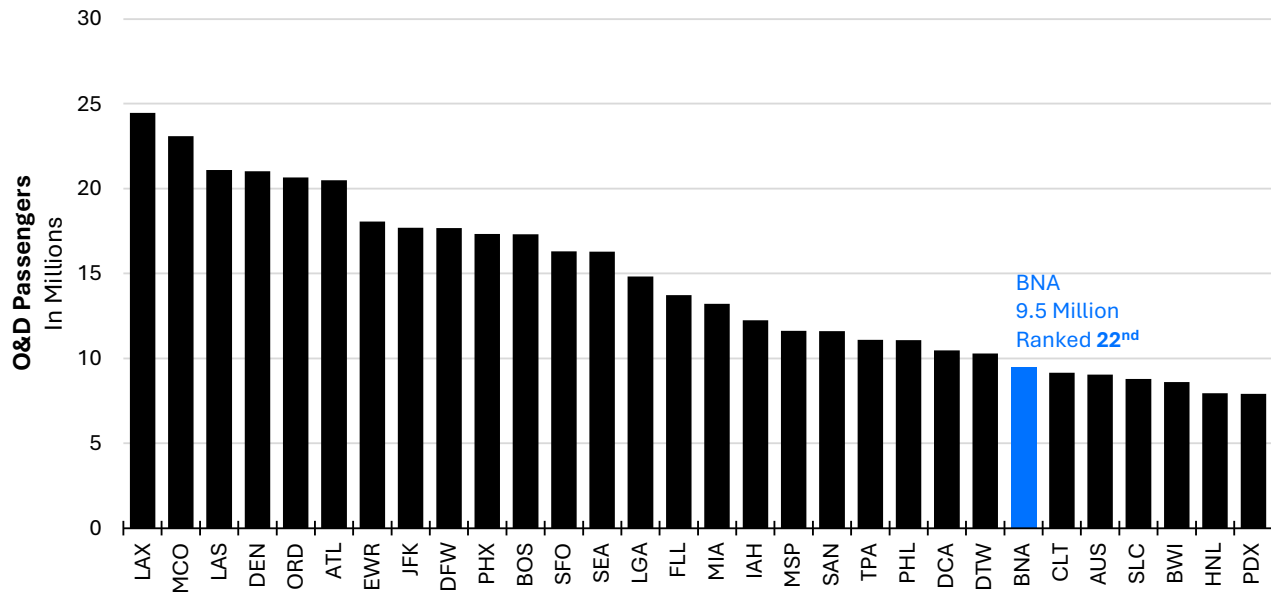
¹³ Federal Aviation Administration, Air Carrier Activity Information System (ACAIS), accessed online at https://www.faa.gov/airports/planning_capacity/passenger_allcargo_stats/passenger.

ranked as the 28th largest airport in the U.S. **Table 1-1** provides the rankings of the top-31 U.S. airports in terms of total enplaned passengers per the FAA for CY 2024. The Airport has been classified by the FAA as a large hub airport¹⁴ based upon its share of nationwide enplaned passengers since CY 2020.¹⁵ The Airport was the fastest growing large hub airport from CY 2019 to CY 2024 with a 34.9% increase in enplaned passengers over that period.

1.1.2 Regional Role

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 busiest airport in the State of Tennessee (State) and the only large hub airport in the region. The Airport primarily serves origin and destination (O&D) passenger traffic, or those that begin or end their travel at the Airport, indicating that most of the passengers using the Airport are from or visiting the surrounding region. In FY 2025, O&D passenger traffic accounted for an estimated 80.6% of the total enplaned passengers at the Airport. In CY 2024, the Airport ranked 22nd in O&D passengers in the U.S. **Figure 1-1** provides the O&D passengers from the top 30 O&D airports in the U.S.

Figure 1-1 Top 30 O&D Airports in the United States (CY 2024)



Note: O&D for the Airport differs from the value reported by MNAA.

Sources: Cirium, Diio Mi, US DOT Origin and Destination Survey Data, accessed August 2025.

¹⁴ Federal Aviation Administration, Report to Congress: National Plan of Integrated Airport Systems (NPIAS) 2021-2025, September 30, 2021.

¹⁵ 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)		Percent Change
				CY 2024	CY 2019	
1	Atlanta	Hartsfield-- Jackson Atlanta International	ATL	52,511	53,506	-1.9%
2	Fort Worth	Dallas-Fort Worth International	DFW	42,351	35,779	18.4%
3	Denver	Denver International	DEN	40,013	33,593	19.1%
4	Chicago	Chicago O'Hare International	ORD	38,576	40,871	-5.6%
5	Los Angeles	Los Angeles International	LAX	37,761	42,939	-12.1%
6	New York	John F Kennedy International	JFK	31,466	31,037	1.4%
7	Charlotte	Charlotte/Douglas International	CLT	28,524	24,200	17.9%
8	Las Vegas	Harry Reid International	LAS	28,245	24,728	14.2%
9	Orlando	Orlando International	MCO	27,860	24,562	13.4%
10	Miami	Miami International	MIA	26,588	21,421	24.1%
11	Phoenix	Phoenix Sky Harbor International	PHX	25,596	22,434	14.1%
12	Seattle	Seattle-Tacoma International	SEA	25,415	25,002	1.7%
13	San Francisco	San Francisco International	SFO	25,079	27,779	-9.7%
14	Newark	Newark Liberty International	EWR	24,544	23,161	6.0%
15	Houston	George Bush Intercontinental/Houston	IAH	23,349	21,905	6.6%
16	Boston	General Edward Lawrence Logan Intl	BOS	21,091	20,699	1.9%
17	Minneapolis	Minneapolis-St Paul International	MSP	18,054	19,193	-5.9%
18	Fort Lauderdale	Fort Lauderdale/Hollywood International	FLL	17,096	17,951	-4.8%
19	New York	LaGuardia	LGA	16,716	15,394	8.6%
20	Detroit	Detroit Metro Wayne County	DTW	16,111	18,143	-11.2%
21	Philadelphia	Philadelphia International	PHL	15,102	16,006	-5.6%
22	Salt Lake City	Salt Lake City International	SLC	13,544	12,841	5.5%
23	Glen Burnie	Baltimore/Washington International	BWI	13,221	13,285	-0.5%
24	Dulles	Washington Dulles International	IAD	13,003	11,884	9.4%
25	San Diego	San Diego International	SAN	12,780	12,649	1.0%
26	Arlington	Ronald Reagan Washington National Airport	DCA	12,751	11,595	10.0%
27	Tampa	Tampa International	TPA	12,076	10,979	10.0%
28	Nashville	Nashville International	BNA	12,059	8,936	34.9%
29	Austin	Austin-Bergstrom International Airport	AUS	10,678	8,507	25.5%
30	Honolulu	Daniel K Inouye International	HNL	10,449	9,989	4.6%
31	Chicago	Chicago Midway International	MDW	10,360	10,082	2.8%

Note: Amounts in this table may vary from Authority traffic reports.

Source: Federal Aviation Administration, Air Carrier Activity Information System (ACAIS) - September 2025.

O&D passenger traffic has two main components: 1) local passengers or those passengers that are from the ASA or surrounding region that start their trip at the Airport, and 2) visiting passengers that are visiting the ASA or surrounding region. Historically, visitors have been a significant driver of passenger traffic at the Airport. In CY 2014, 51.5% of the total enplaned passengers at the Airport were visiting passengers.¹⁶ In CY 2019, the share of local passengers increased to 53.6%. During the COVID-19 pandemic, there was a temporary shift to a nearly 50/50 split of local to visitor traffic. However, visitor traffic was an important component in the recovery of air traffic at the Airport during the pandemic. In CY 2021, 54.1% of the total enplaned passenger traffic were visitors. The share of visiting passengers has remained relatively constant over the past three years.

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 (ASA) is defined as the Nashville-Davidson-Murfreesboro-Franklin, Tennessee Metropolitan Statistical Area (Nashville Metropolitan Statistical Area [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.¹⁷ In many cases, an airport's overall catchment area can extend beyond the air service area 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 or air service area that provides the principal demand for supporting O&D air travel.

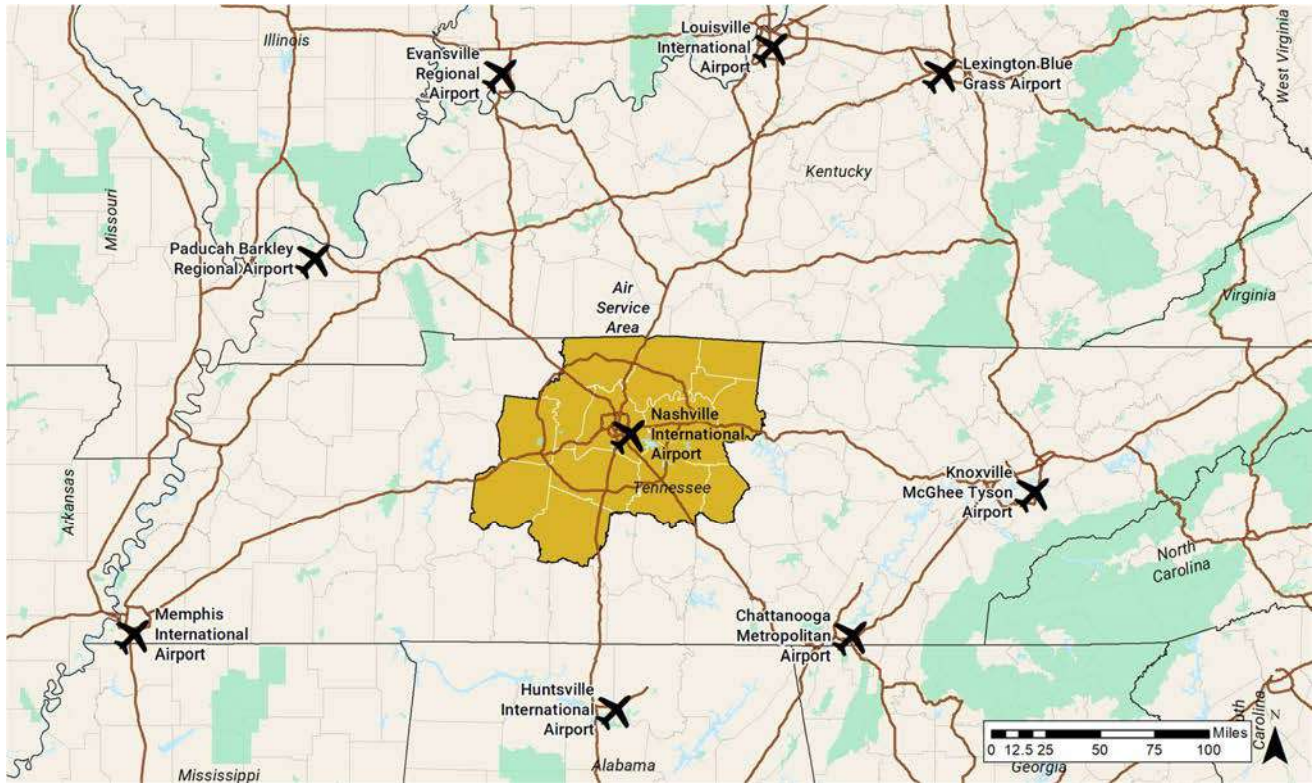
The ASA is generally isolated from competing airport facilities and, hence, the Airport has limited competition for air service. **Figure 1-2** illustrates the ASA and other commercial service airports within a 250-mile drive radius from the Airport. As shown, the only other airports that offer commercial 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 Airport¹⁸ (PAH). Louisville International Airport (SDF) and Knoxville McGee Tyson Airport (TYS) are about 175 driving miles from the Airport. Memphis International Airport (MEM) is the second busiest airport in the State and is a small hub airport about 220 driving miles from the Airport. None of the airports within the 250-mile drive radius have Southwest as the largest carrier. Other medium and large hub airports are over 250 driving miles from the Airport with Hartsfield-Jackson Atlanta International Airport (ATL) the nearest large hub at approximately 255 driving miles.

¹⁶ Cirium, Diio Mi, US DOT Origin and Destination Survey Data, accessed September 2025

¹⁷ 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.

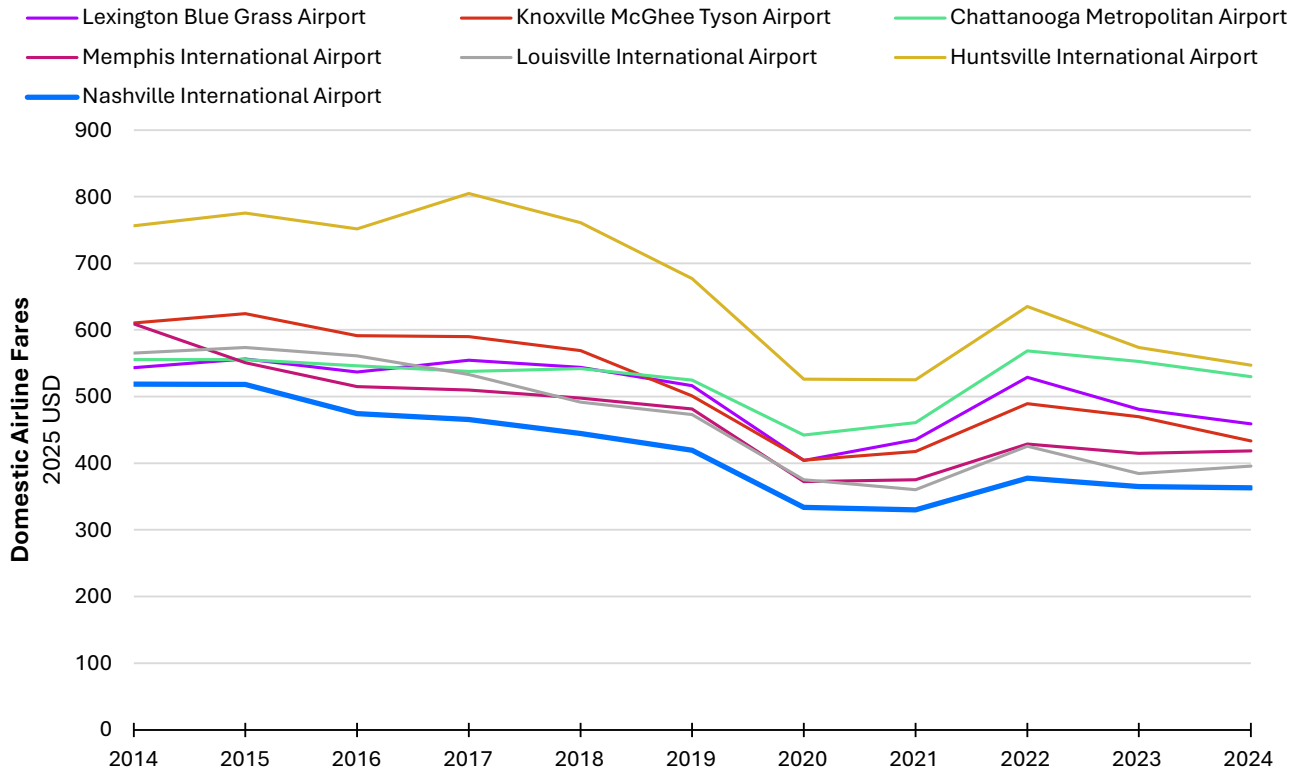
¹⁸ Paducah Barkley Regional Airport only provides commercial passenger flights via Essential Air Service (EAS).

The Airport has maintained lower airfares as compared to other airports in the region. **Figure 1-3** 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 CY 2024, the Airport's average airfare ranges from \$33 lower than SDF to \$184 lower than HSV. With its relatively lower airfare and significantly more nonstop 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's nonstop markets. Southwest has historically priced 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. Southwest is amidst a shift in its corporate philosophy, and it is unclear at this time how this shift will affect airfares at this time. More discussion on this shift in Southwest's philosophy is provided in Section 2.1.5.

Figure 1-2 Air Service Area and Proximity to Other Airports

Airport	Code	Airport Category	Driving Distance from BNA (miles)	Largest Carrier	CY 2024 Enplaned Passengers (in thousands)
Nashville International Airport	BNA	Large	-	Southwest	12,385
Huntsville International Airport	HSV	Small	125	American	805
Chattanooga Metropolitan Airport	CHA	Small	145	Delta	558
Paducah Barkley Regional Airport	PAH	Non-Hub	150	United	13
Evansville Regional Airport	EVV	Non-Hub	165	American	190
Knoxville McGhee Tyson Airport	TYS	Small	175	American	1,639
Louisville International Airport	SDF	Small	175	Delta	2,343
Lexington Blue Grass Airport	LEX	Small	215	Delta	776
Memphis International Airport	MEM	Small	220	American	2,439

Sources: BNA - Metropolitan Nashville Airport Authority, Passenger Activity Report FY 2025. All others - Federal Aviation Administration, Air Carrier Activity Information System (ACAIS), June 2025.

Figure 1-3 Regional Airport Domestic Airfare Comparison (CY 2014 – CY 2024)

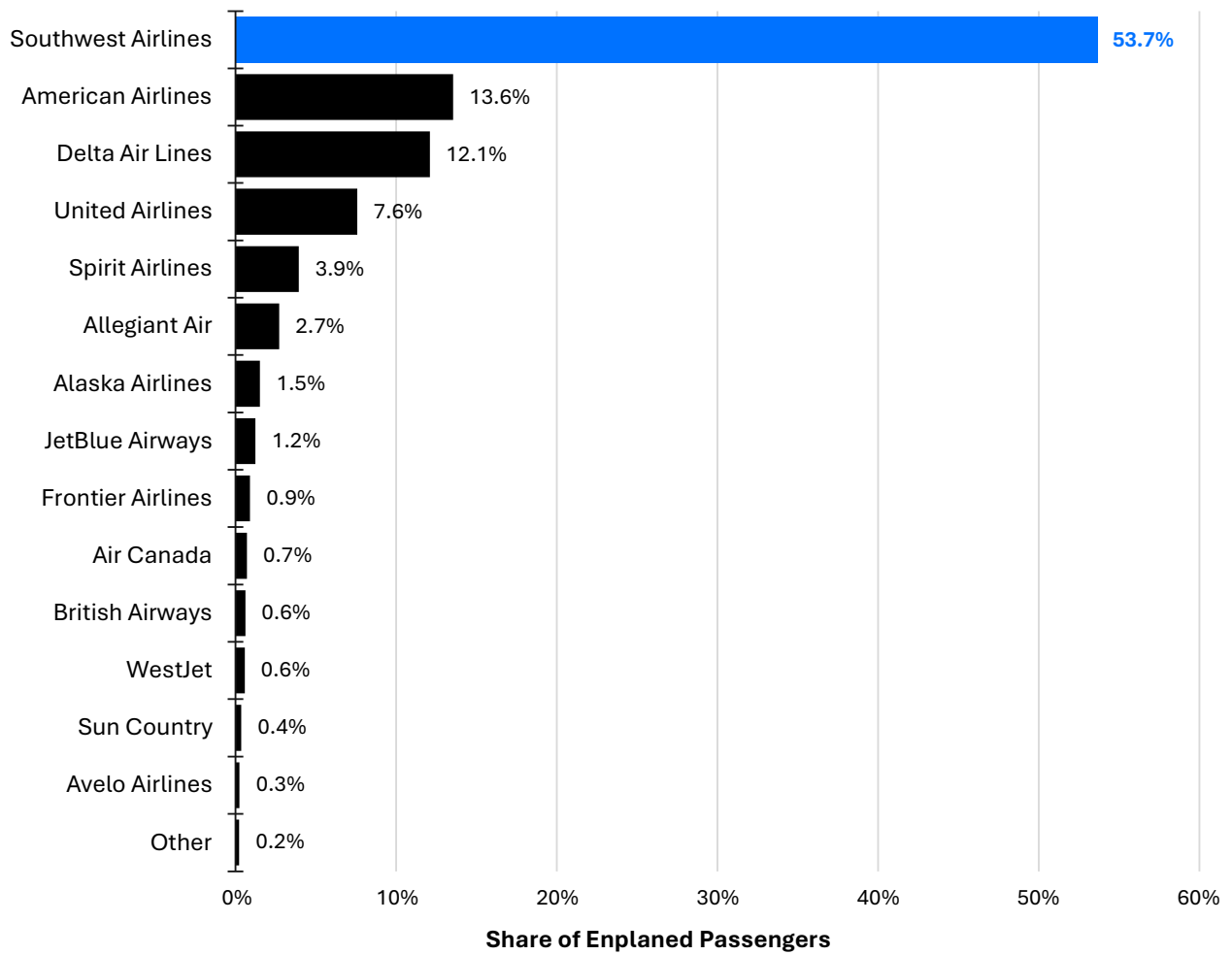
Source: U.S. Department of Transportation, Average Domestic Airline Itinerary Fares by Origin City, accessed August 2025.

1.1.3 Role for Southwest Airlines

The Airport's largest air carrier, Southwest, operates the Airport as a focus city. Southwest enplaned approximately 6.6 million passengers at BNA in Fiscal Year (FY)¹⁹ 2025 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 2025.

¹⁹ The Authority's Fiscal Year is the 12-month period ending June 30.

Figure 1-4 Enplaned Passenger Market Share at the Airport (FY 2025)



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 August 2025.

Southwest generally focuses on serving O&D passenger traffic; however, because of the airline's relative size at the Airport and BNA's central location within the eastern U.S., it also can be a convenient option for passengers that need to connect. In FY 2025, approximately 18.1% of Southwest's passenger traffic at the Airport was connecting and approximately 81.9% was O&D.²⁰ The Airport was the 8th busiest airport in terms of daily departures and 7th busiest in terms of seating capacity in Southwest's system in FY 2025. In CY 2024, Southwest operated more than 4,000 flights a day during peak travel seasons, serving 117 destinations across the U.S. and 10 additional countries.²¹ Additional information on Southwest and its traffic impact on the Airport is further addressed in Chapter 2 of this Report.

1.2 Socioeconomic Base for Air Travel

The intrinsic link between the level of aviation activity and socioeconomic growth is well documented. Simply put, growth in population, employment, and income typically lead to increased demand for air travel for both business and leisure purposes. This section discusses socioeconomic trends and conditions of the ASA and presents data indicative of the area's capability to generate increased demand for air transportation through CY 2032.

Data for population, employment, income, and gross regional product (GRP) for the ASA are discussed below. Parallel data for the U.S. and the State are also shown, as applicable, to provide a basis of comparison to local trends. All socioeconomic data (historical and forecast) provided in this section were provided by Woods & Poole, Inc. unless otherwise noted. Woods & Poole, Inc. is an independent vendor and nationally recognized firm that provides expert economic and demographic data and analysis.²² Other sources of data are updated to their most current versions available at the time of the preparation of this document. Additionally, all data provided in dollar values are expressed in real value (i.e., adjusted for inflation as noted).

The economic forecasts presented herein are based on currently available data and established methodologies. These forecasts do not explicitly incorporate potential impacts from future changes in government policy, trade negotiations, or tariffs. While we recognize that such developments may materially affect economic performance and local socioeconomic conditions, the scope, timing, and magnitude of these impacts are inherently uncertain and cannot be reliably quantified at this time.

²⁰ Metropolitan Nashville Airport Authority, Passenger Activity Report.

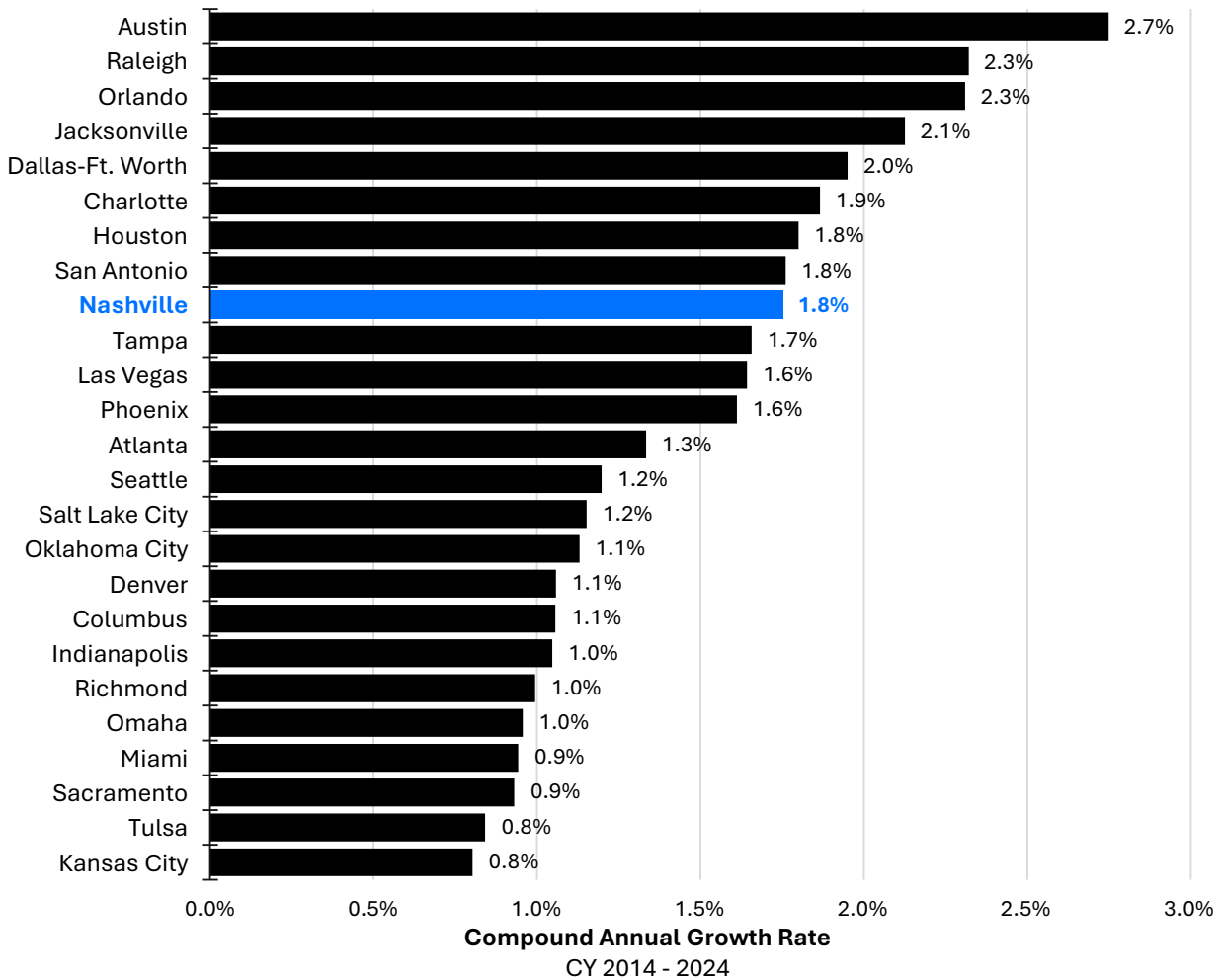
²¹ Southwest Airlines, Southwest Corporate Fact Sheet.

²² A technical report detailing the methods used by Woods & Poole to forecast the socioeconomic indicators is available on their website at <https://www.woodsandpoole.com/our-databases/united-states/cedds/>.

1.2.1 Population

The size of an area's population and its rate of growth is a significant source of demand for air travel. The ASA is one of the fastest growing large regions in the U.S. From 2014 through 2019, the ASA increased at a compound annual growth rate (CAGR) of 1.8%, the 5th fastest rate of large MSAs.²³ Since the COVID-19 pandemic, growth in the region has not slowed. According to the United States Census Bureau, the ASA added 128,809 people from 2020 through 2024, the 15th most of all MSAs. Figure 1-5 provides the CAGR of the 25 fastest growing MSAs in the U.S. since CY 2014, with Nashville being ninth in terms of MSA growth.

Figure 1-5 Fastest Growing MSAs (CY 2014 – CY 2024)



Source: Woods & Poole Economics, Inc., 2025 Complete Economic and Demographic Data Source, July 2025

²³ Large MSAs are defined as those MSAs with a population more than 1.0 million people.

Table 1-2 provides the historical population data for CY 2014, CY 2019, and CY 2024 for the ASA, the State, and the U.S. Between CY 2014 and CY 2024, the population in the ASA increased from approximately 1.8 million to 2.2 million, which is a 19.0% total increase and a CAGR of 1.8%, which is significantly higher than that of the U.S. at 0.6%. Davidson County, where the Airport is located, is the second largest county in Tennessee and experienced growth at a CAGR of 0.7% since CY 2014 outpacing the U.S. as a whole. Rutherford County and Williamson County, the suburban area to the south of Nashville, have added the most to the population in the ASA since CY 2014. In CY 2024, the ASA accounted for 29.8% of Tennessee's population.

Table 1-2 **Historical Population (CY 2014, CY 2019, CY 2024)**

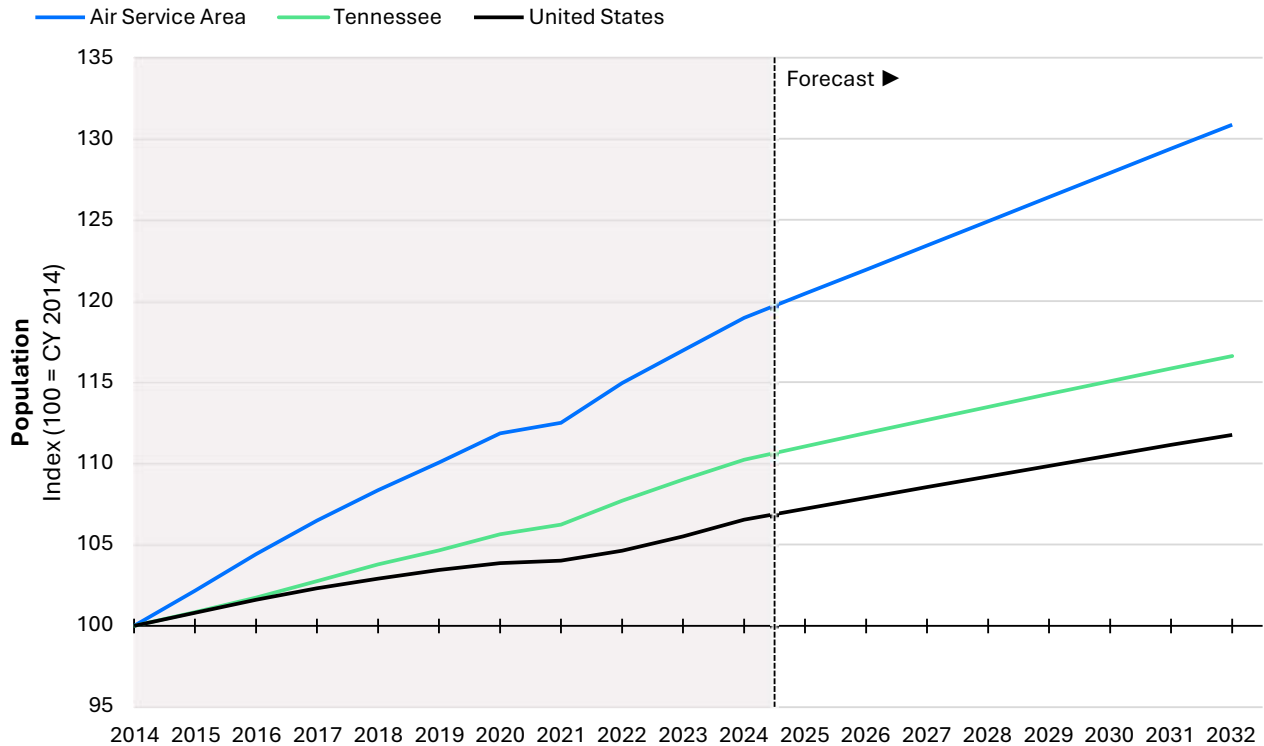
Region	Population (In Thousands)			Pop. Change	CAGR
	CY 2014	CY 2019	CY 2024	CY 2014 - 2024	CY 2014 - 2024
United States	319,273	330,232	340,111	20,838	0.6%
Tennessee	6,558	6,862	7,228	670	1.0%
ASA	1,808	1,989	2,151	343	1.8%
<i>Davidson County, TN</i>	679	713	730	51	0.7%
<i>Rutherford County, TN</i>	291	335	377	86	2.6%
<i>Williamson County, TN</i>	207	242	269	62	2.7%
<i>Sumner County, TN</i>	173	193	212	39	2.0%
<i>Wilson County, TN</i>	125	145	170	45	3.1%
<i>Maury County, TN</i>	86	99	113	27	2.8%
<i>Robertson County, TN</i>	68	72	78	10	1.4%
<i>Dickson County, TN</i>	51	54	58	7	1.3%
<i>Cheatham County, TN</i>	40	41	43	3	0.7%
<i>Hickman County, TN</i>	24	25	26	2	0.6%
<i>Macon County, TN</i>	23	25	27	4	1.7%
<i>Smith County, TN</i>	19	20	21	2	0.9%
<i>Cannon County, TN</i>	13	14	15	2	1.2%
<i>Trousdale County, TN</i>	8	11	12	4	4.2%

¹ Compound annual growth rate.

Source: Woods & Poole Economics, Inc., 2025 Complete Economic and Demographic Data Source, July 2025

Figure 1-6 depicts the historical and projected population growth indexed to CY 2014 for the ASA, the State, and for the U.S. overall. Since CY 2014, population growth in the ASA (1.8%) has outpaced the nation (0.6%). The population in the ASA is forecast to increase from 2.2 million in CY 2024 to 2.4 million in 2032, representing a CAGR of 1.2%, which is faster than the national and State population forecasts.²⁴

²⁴ Woods & Poole Economics, Inc., 2025 Complete Economic and Demographic Data Source, June 2025.

Figure 1-6 Historical and Forecast Population (CY 2014 – CY 2032)

Source: Woods & Poole Economics, Inc., 2025 Complete Economic and Demographic Data Source, June 2025.

According to the Boyd Center for Economic Research,²⁵ it is estimated that nearly 115,000 people will be added to the ASA from 2024 through 2028.²⁶ Much of the growth is expected to occur in the suburban areas in Williamson County and Rutherford County rather than Davidson County, the county of the main city center of Nashville.

²⁵ The Boyd Center for Economic Research is a nonpartisan research hub within the Haslam College of Business at the University of Tennessee, Knoxville. The center conducts research on national and State economic trends.

²⁶ Tennessee Department of Health (TDH), General Health Data: Population, accessed online at <https://www.tn.gov/health/health-program-areas/statistics/health-data/population.html>

1.2.1.1 Components of Population Growth

A higher-than-average birth rate has contributed to natural growth in population. From CY 2014 through CY 2019, the ASA had an average birth rate of 13.0 per 1,000 residents compared to just 12.5 per 1,000 residents for the nation. During this period, there were 144,220 births to 86,839 deaths in the ASA, equating to approximately 9,563 new residents per year.²⁷ Since CY 2020, the rate of natural growth has slowed some partly due to an increase in death rate during this period. During this period, the ASA added approximately 4,565 new residents per year due to natural growth.

From CY 2014 through CY 2019, there was an average of approximately 23,518 more people moving into the region than moving out each year. This trend has not slowed in recent years. From CY 2020 through CY 2024, net migration added 70,297 people to the ASA, which accounted for 79.7% of the growth to the region over this period.²⁸ It is anticipated that net migration will continue to fuel the growth in population in the future.

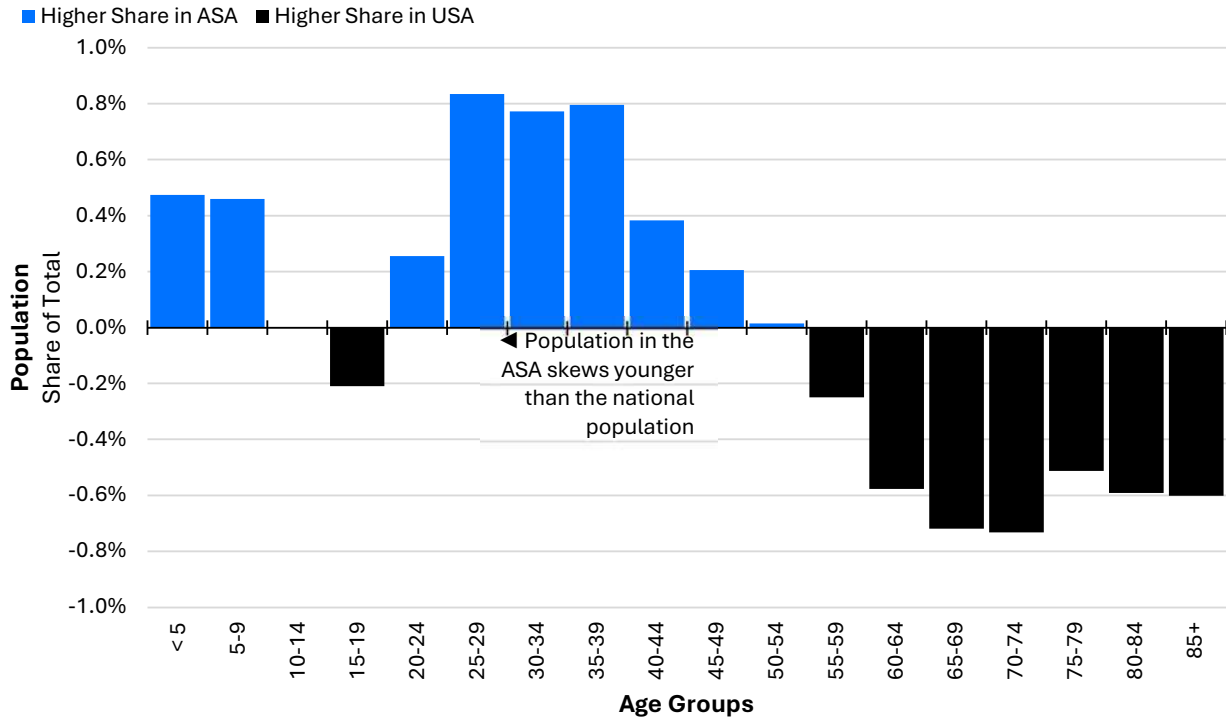
1.2.1.2 Age Distribution

Demand for air travel varies by age group. It is assumed that people of working ages²⁹, or from 25 to 64, account for a higher share of air travel than older or younger people as they often travel for business purposes and generally have more disposable income available for leisure trips. **Figure 1-7** presents the distribution of age groups in the ASA in comparison to the U.S. Overall, the median age of the population for the ASA (37.1 years) is lower than the national median (39.0 years). The ASA's share of population between the working ages of 25 and 64 is higher than that of the U.S. Persons within the ASA between the ages of 25 and 64 account for 53.7% of the population as compared to 51.5% for the U.S.

²⁷ United States Census Bureau, Metropolitan and Micropolitan Statistical Areas Population Totals: 2010-2019, accessed online at <https://www.census.gov/data/tables/time-series/demo/popest/2020s-total-metro-and-micro-statistical-areas.html>

²⁸ United States Census Bureau, Metropolitan and Micropolitan Statistical Areas Population Totals: 2020-2023, accessed online at <https://www.census.gov/data/tables/time-series/demo/popest/2020s-total-metro-and-micro-statistical-areas.html>

²⁹ Commonly, working age is defined as those people aged 15 to 64. However, for the purposes of this Report, a narrower age range of 25 to 64 has been used to reflect the group of people most likely beyond secondary education and more likely to be employed on a full-time basis.

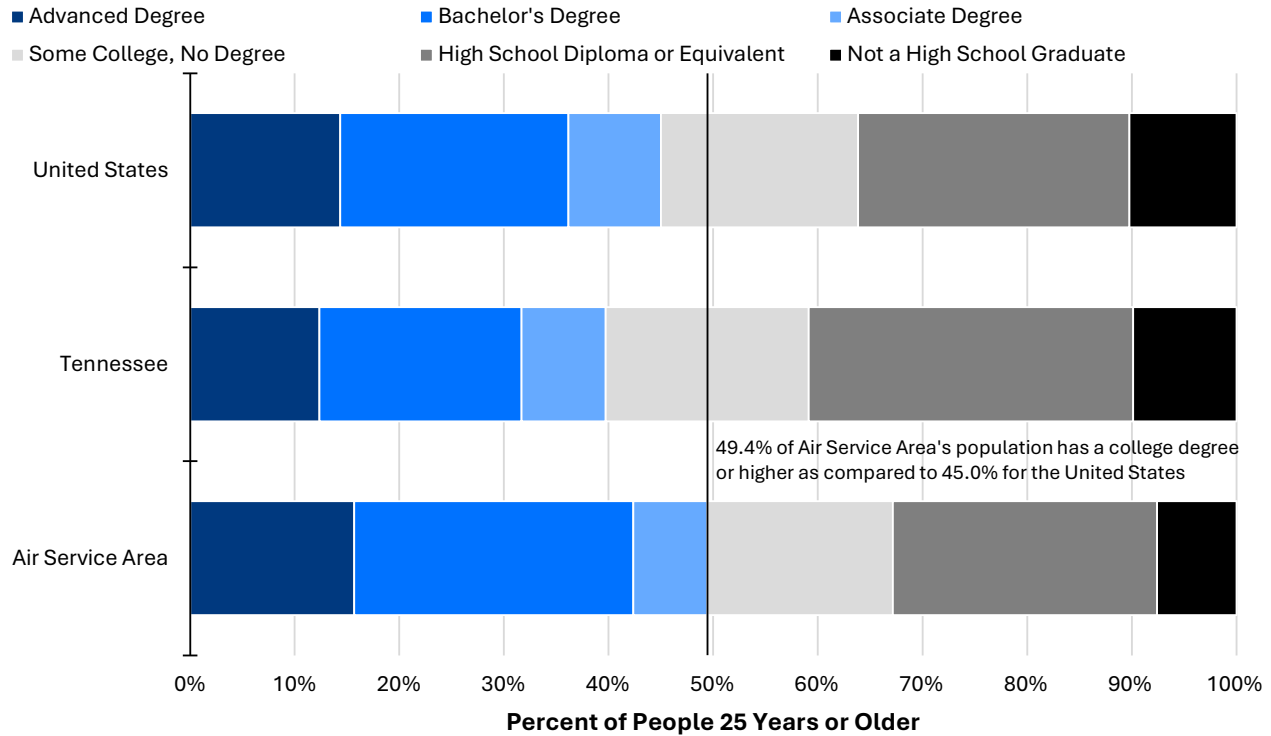
Figure 1-7 Age Distribution – ASA versus the U.S. (CY 2023)

Source: US Census Bureau, 2023: ACS 1-Year Estimates Data Profiles, accessed July 2025.

1.2.1.3 Educational Attainment

Consumer Expenditure Survey data from the U.S. Bureau of Labor Statistics show that persons with a college degree generate a relatively high percentage of expenditures on air travel. Data indicate that 74% of airline fares are purchased by college graduates, while 18% are purchased by consumers who have had some college or have earned an associate degree. Approximately 8% of airline fares are purchased by consumers who never attended college.³⁰ **Figure 1-8** presents the share of educational attainment for persons aged 25 or older within the ASA, the State, and the U.S. According to the U.S. Census Bureau, 49.4% of the population aged 25 or older in the ASA have a college degree or higher. By comparison, only 45.0% of the population aged 25 or older in the U.S. have a college degree or higher.

³⁰ *Who's Buying for Travel*, 12th Edition, New Strategist Publications, 2018.

Figure 1-8 Educational Attainment (2023)

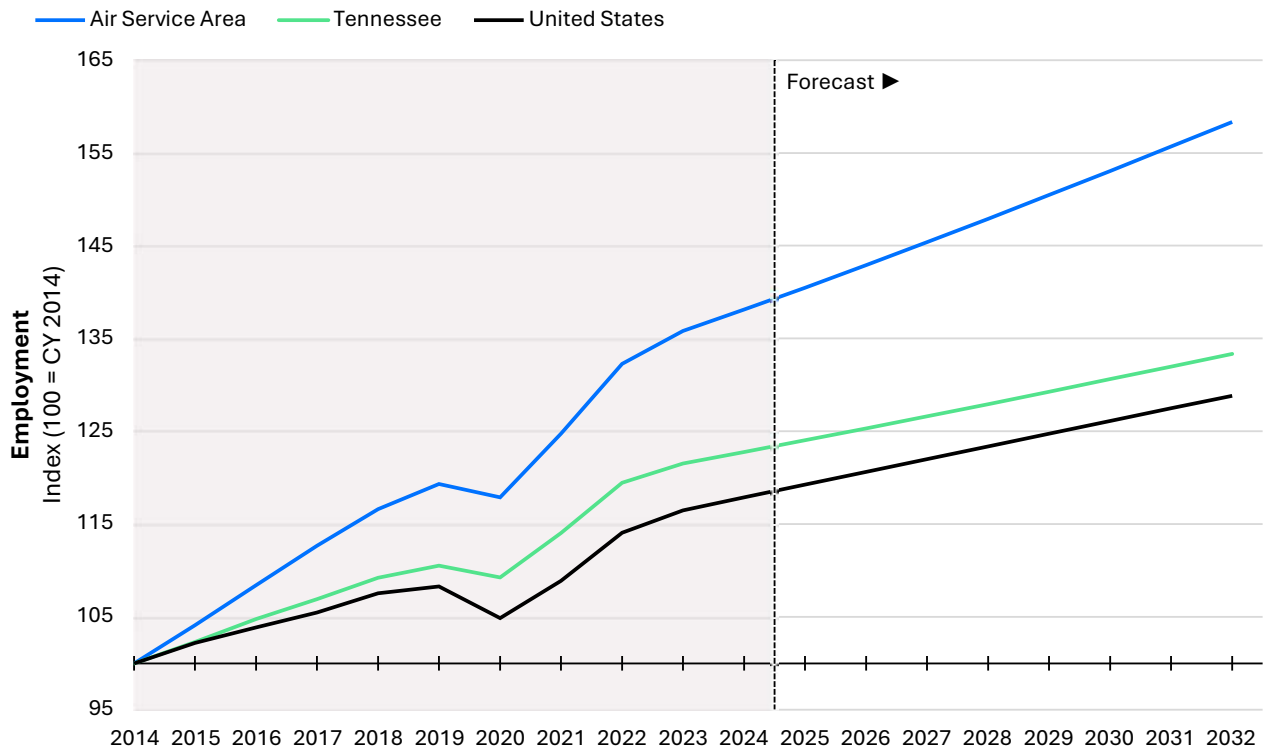
Source: US Census Bureau, 2023: ACS 1-Year Estimates Data Profiles, accessed July 2025.

The ASA is home to 16 institutions of higher learning, such as Vanderbilt University, Tennessee State University, Middle Tennessee State University, Lipscomb University, and Belmont University, among others. According to the U.S. Census Bureau, 35.1% of the population in the ASA ages 18 to 24 are currently enrolled in college or graduate school. Educational institutions generate demand for air travel through academic conferences, visiting professorships, study abroad programs, and individual student and faculty travel.

1.2.2 Employment

Growth in employment is an important indicator of the overall health of the local economy. Historically, changes in population and employment tend to be closely correlated as people migrate in and out of areas largely depending on their ability to find work. **Figure 1-9** presents historical and projected employment growth in the ASA, the State, and the U.S. indexed to CY 2014. From CY 2014 through CY 2019, employment in the ASA increased at a CAGR of 3.3%, nearly double the rate of the U.S. (1.7%). In CY 2020, employment in the ASA decreased by 1.2% primarily as a result of the impacts associated with the COVID-19 pandemic. By CY 2021, employment in the ASA recovered and exceeded CY 2019 levels and continued to increase through CY 2024. In comparison, employment in the U.S. did not recover until CY 2022. Future growth in employment for the ASA is forecast to be generally in line with that of the U.S.³¹

Figure 1-9 Historical and Forecast Employment (CY 2014 – CY 2032)



Source: Woods & Poole Economics, Inc., 2025 Complete Economic and Demographic Data Source, June 2025.

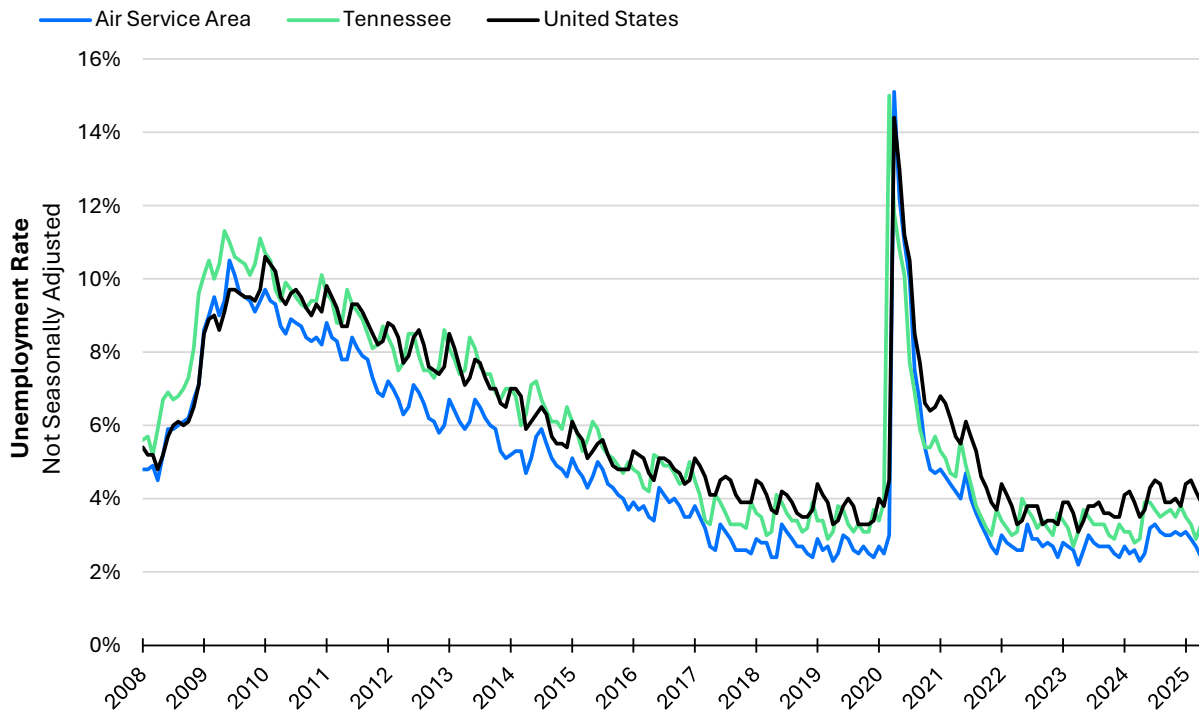
³¹ Woods & Poole Economics, Inc., 2024 Complete Economic and Demographic Data Source, June 2024.

1.2.2.1 Unemployment

Unemployment rates are an indicator of economic health as rates usually decrease as economic activity in the region grows. **Figure 1-10** presents the historical monthly unemployment rates for the ASA, Tennessee, and the U.S. As shown, unemployment rates in the ASA were lower than the national average from CY 2009 through CY 2020. During the Great Recession, unemployment for the ASA increased to 9.7% in January 2010 lower than the national unemployment rate of 10.6%.

Unemployment rates increased in April 2020 because of stay-at-home orders and companies attempting to minimize potential losses related to the impacts associated with the COVID19 pandemic. The unemployment rate in the ASA peaked at 15.1% in April 2020 and was somewhat higher than the national rate of 14.4%. The unemployment rates for both the nation and the ASA declined rapidly from these peaks over the next several months with the ASA moving well below national levels after the initial onset of the pandemic. In May 2025, the unemployment rate for the ASA was 2.7%, which was lower than that for the U.S. at 4.0%.

Figure 1-10 Historical Unemployment Rates (January 2008 – May 2025)



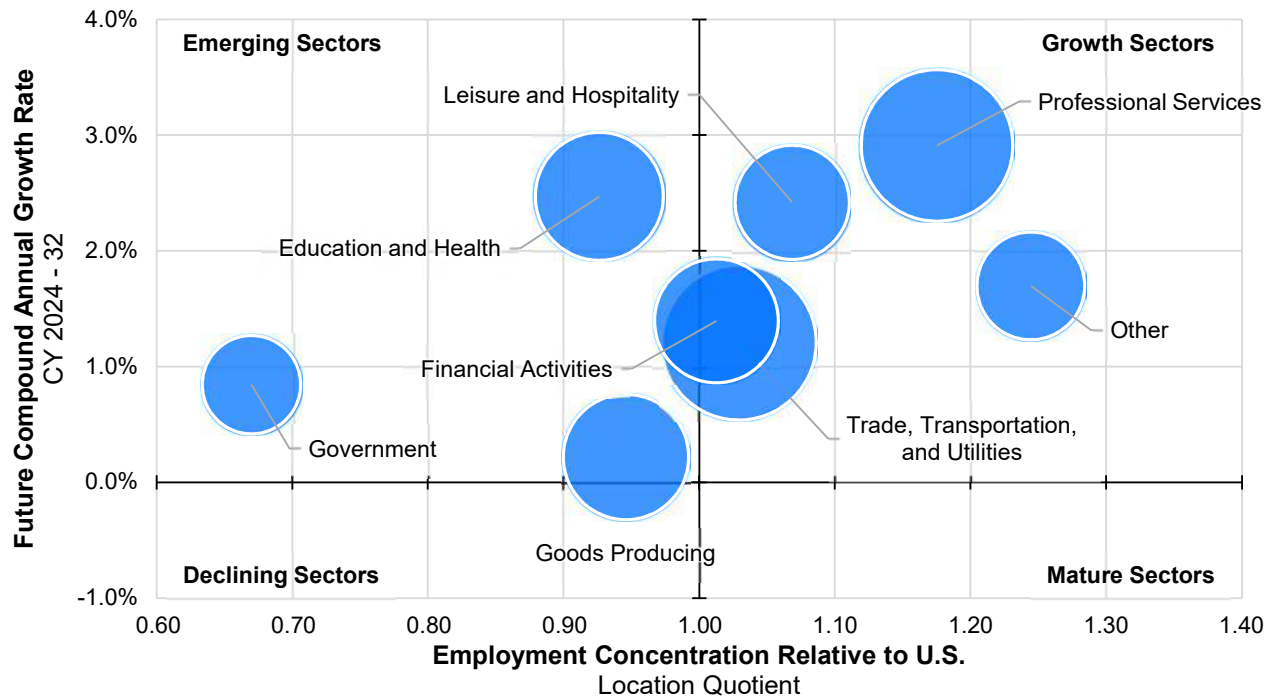
Sources: United States Department of Labor: Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey.

1.2.2.2 Industry Sectors

The breakdown of jobs by employment sectors within a region can provide insight as to how resilient the local economy is to downturns. **Figure 1-11** presents a comparison of employment by industry sector between the ASA and the U.S. and the forecast future growth of each sector. The comparison is provided using a location quotient (LQ), which is an analytical statistic that measures a region's industrial specialization relative to a larger geographic unit. A LQ is computed as an industry's share of a regional total for some economic statistic (earnings, Gross Regional Product [GRP] by metropolitan area, employment, etc.) divided by the industry's share of the national total for the same statistic.

For example, the ASA's professional services sector has a LQ of 1.18 which means the region has a higher concentration in that sector than the nation. As shown, the professional services; trade, transportation, and utilities; leisure and hospitality; and financial activities are higher in concentration in the ASA than the U.S. Furthermore, these sectors are forecast to have some of the highest growth in jobs in the region. The growth for these sectors is higher than the national average which results in their LQs increasing over time. Overall, the ASA's employment sectors appear to be positioned to continue to provide jobs that are consistent with demand for air travel.

Figure 1-11 Employment by Industry Sector (CY 2024)



Notes: Size of the bubble indicates the employment size in calendar year 2024.
A location quotient (LQ) is an analytical statistic that measures a region's industrial specialization relative to a larger geographic unit. An LQ is computed as an industry's share of a regional total for some economic statistic (earnings, GDP by metropolitan area, employment, etc.) divided by the industry's share of the national total for the same statistic.

Source: Woods & Poole Economics, Inc., 2025 Complete Economic and Demographic Data Source, June 2025.

1.2.2.3 Major Companies

There are five companies headquartered in the ASA that are featured in the Fortune 500, a ranking of the biggest companies in the U.S. by revenue. These five companies³² combined for \$147.6 billion in revenue for 2024.³³ HCA Healthcare, headquartered in Nashville, was ranked 61st on the list with \$70.6 billion in revenue. The health care provider has a network of 182 hospitals and approximately 2,300 care sites located in 20 states and the United Kingdom. HCA Healthcare is also the 2nd largest employer in the ASA with 27,694 local employees. Dollar General is a chain of discount stores headquartered north of Nashville in Goodlettsville, TN. In 2024, Dollar General had \$40.6 billion in revenue, ranking it 112th in the Fortune 500. The City of Brentwood is home to Delek and Tractor Supply, which rank 336th and 296th, respectively on the list. Delek is a petroleum refining company that is capable of processing 302,000 barrels of crude oil per day. Tractor Supply is a retail chain that sells products for home improvement, agriculture, and lawn and garden maintenance. Community Health Systems, ranked 335th on the Fortune 500, is headquartered in Franklin, TN. The company is the largest provider of acute-care hospitals in the U.S.

The largest employer in the ASA is Vanderbilt University Medical Center (VUMC). In 2024, VUMC had 32,081 local employees. The non-profit organization has multiple hospitals in Nashville and clinics throughout Middle Tennessee. Nissan North America is the largest manufacturer in the region. Headquartered in Franklin, Tennessee, the car manufacturer has an estimated 11,000 local employees. Other major employers in the ASA include Vanderbilt University, St. Thomas Health, Randstad, Asurion, and Amazon, among others. **Table 1-2** provides the top 25 companies in terms of regional employees in the ASA.

There have been major investments made in the ASA by companies over the past few years. Details of these investments are provided in Section 1.2.7.

³² The five companies include HCA Healthcare, Dollar General, Delek, Tractor Supply, and Community Health Systems.
³³ Fortune, Fortune 500, accessed online at <https://fortune.com/ranking/fortune500/>

Table 1-3 Top 25 Employers in the Air Service Area (CY 2024)

Employer	Industry	Regional Employees
Vanderbilt University Medical Center	Healthcare	32,081
HCA Healthcare Inc.*	Healthcare	27,694
Nissan North America Inc.	Automotive	11,000
Ascension Saint Thomas	Healthcare	9,104
Amazon	Retail	8,400
The Kroger Co.	Retail	8,100
Vanderbilt University	Education	7,090
Community Health Systems Inc.*	Healthcare	5,143
Western Express	Logistics	4,521
Fresh Hospitality	Restaurant	3,500
Asurion	Insurance	3,400
Cracker Barrel Old Country Store Inc.	Restaurant	3,197
Dollar General Corp.*	Retail	3,115
United Healthcare	Healthcare	3,083
National Healthcare Corporation	Healthcare	3,000
Bridgestone Americas Inc.	Manufacturing	2,824
YMCA of Middle Tennessee Inc.	Gym	2,607
Acadia Healthcare	Healthcare	2,583
A. O. Smith	Manufacturing	2,473
Lifepoint Health	Healthcare	2,322
AT&T	Telecommunications	2,250
Walgreens	Retail	2,176
Gaylord Opryland Resort	Hospitality	2,171
Middle Tennessee State University	Education	2,160
Williamson Health	Healthcare	2,100

Note: Astrik (*) indicates a Fortune 500 company headquartered in the ASA.

Source: Nashville Area Chamber of Commerce, 2024 Nashville Region Economic Overview.

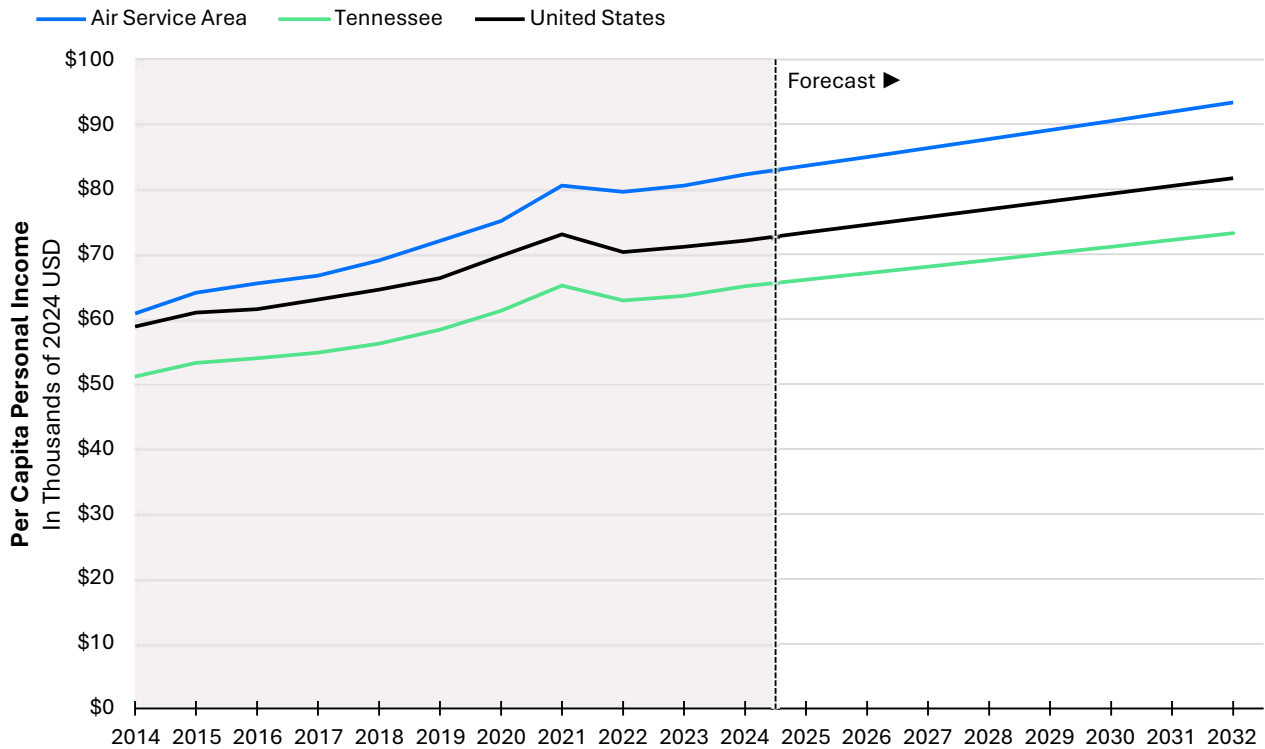
1.2.3 Income

Income statistics are broad indicators of the relative earning power and wealth of an area and provide a measure of the relative affluence of a region's residents and, consequently, of their ability to afford air travel.

1.2.3.1 Per Capita Personal Income

Per capita personal income (PCPI) corresponds to the income per resident (total income divided by total population). **Figure 1-12** provides the historical and forecast PCPI, presented in 2024 dollars, for the ASA, the State, and the U.S. from CY 2014 through CY 2032. In CY 2014, PCPI in the ASA was \$60,896, which was higher than the national average of \$58,860. Since CY 2014, PCPI in the ASA has increased at a CAGR of 3.1%, higher than the national rate of 2.0%. The PCPI in the ASA reached an estimated \$82,289 in CY 2024 which was \$10,190 higher than the national average. PCPI in the region is forecast to remain above the national average through 2032.

Figure 1-12 Historical and Forecast Per Capita Personal Income (CY 2014 – CY 2032)



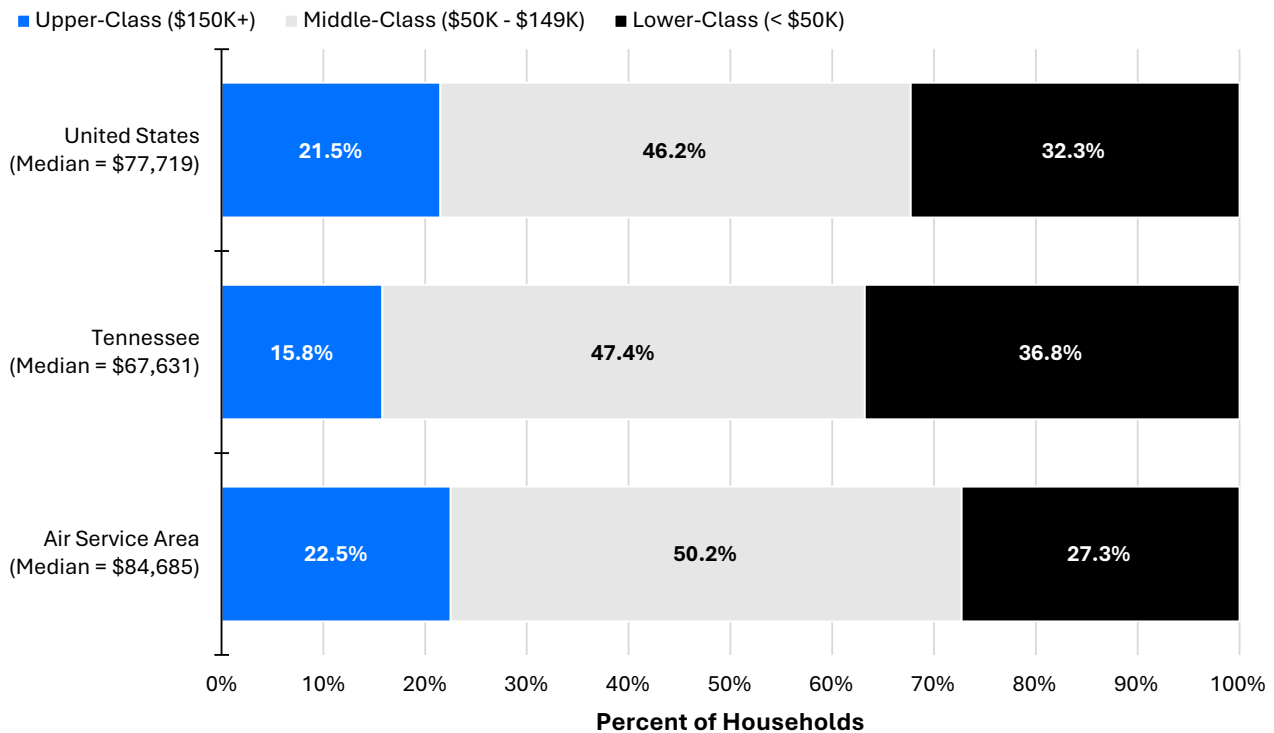
Source: Woods & Poole Economics, Inc., 2025 Complete Economic and Demographic Data Source, June 2025

1.2.3.2 Household Income

To understand the distribution of income within the region, households within the ASA were segmented into three categories: upper-class households, middle-class households, and lower-class households. The Pew Research Center defines the upper-class as adults whose income is more than double the national median. In CY 2023, the national median household income was \$77,719, so upper-class would be considered those with a household income over \$155,438. For the purposes of this Report, upper-class has been defined as those with a household income of \$150,000 or more. The Pew Research Center defines the middle-class as adults whose income falls between two-thirds and double the national median. For the purposes of this Report, middle-class has been defined as those with a household income of at least \$50,000 but less than \$150,000. Households in the middle and upper-class brackets are more likely to have individuals whose jobs require travel when compared to lower-class households. Additionally, upper-class households generally have more disposable income and can therefore afford more leisure travel than households in other income brackets.

Figure 1-13 presents the percentage of households within each income bracket for the ASA as compared to the U.S. for CY 2023. As shown, 22.5% of households in the ASA were considered upper-class, which is above the national average of 21.5% and the State's average of 15.8%. The ASA also has a larger share of middle-class households (50.2%) compared to the U.S. (46.2%). The median household income for the ASA was also higher than that of the U.S. and State.

Figure 1-13 Distribution of Household Income (CY 2023)

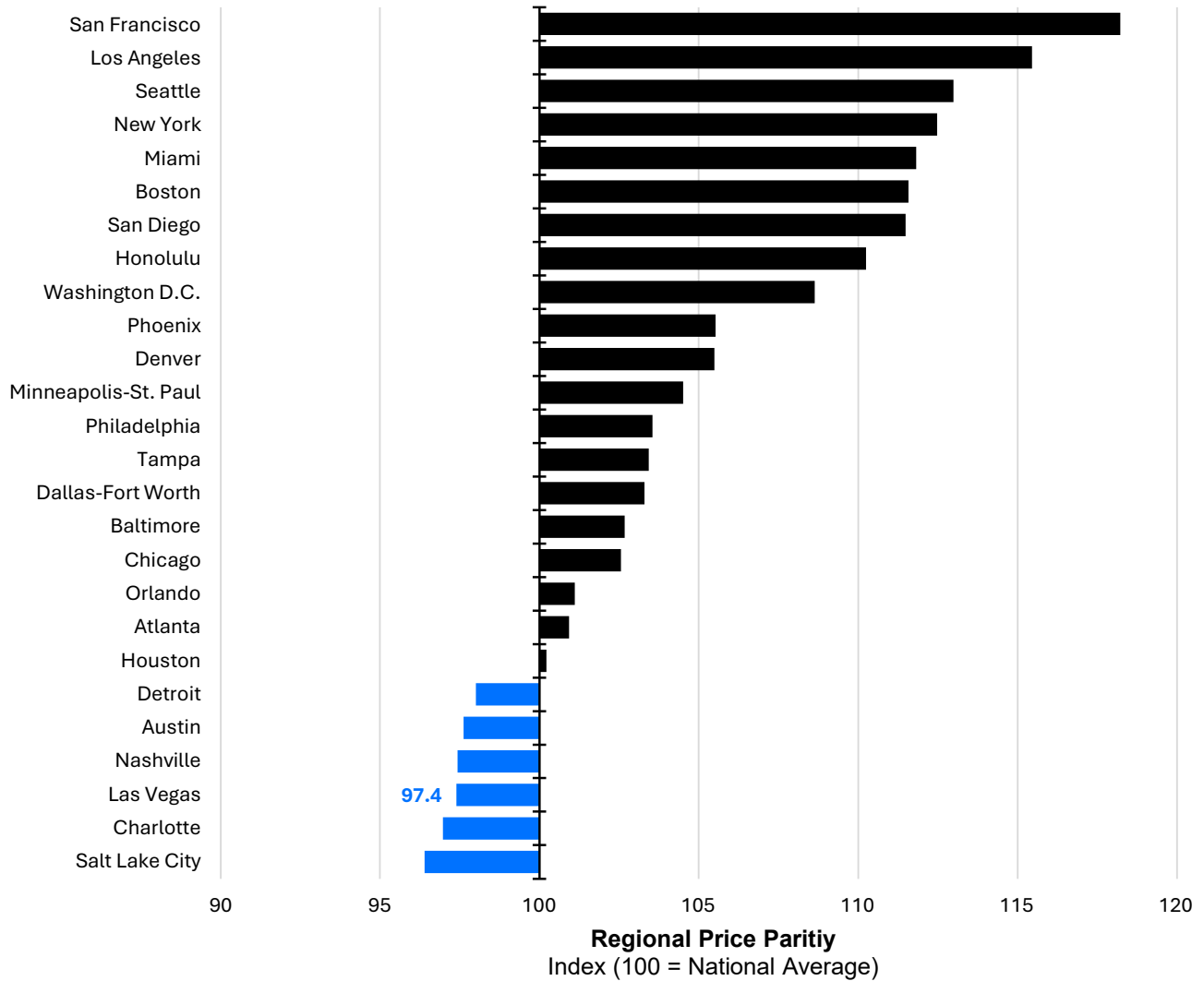


Source: US Census Bureau, 2023: ACS 1-Year Estimates Data Profiles.

1.2.4 Cost of Living

Although personal income is a vital statistic, it is only one determinant of the purchasing power of the people within a region and whether those people have the means to afford to travel by air. Other things being equal, a higher cost of living means less disposable income to purchase an airline ticket. Additionally, a relatively low cost of living can be a significant incentive for businesses to locate in a particular city. The United States Bureau of Economic Analysis uses Regional Price Parities (RPPs) to account for the cost of living in specific locations. RPPs measure the differences in the price levels of a wide array of items including housing, food, medical, transportation, education, and other goods and services across states and metropolitan areas for a given year. RPPs are expressed as a percentage of the overall national price level, where the national average equals 100. In CY 2023, the RPP for the ASA was 97.4%, which indicates that the region's cost of living is roughly 2.6% lower than that of the nation, which suggests the cost of living is somewhat lower than the national average. There are 26 MSAs with at least one large hub Airport and 20 of the 26 MSAs had a RPP over 100. The Nashville MSA has the fourth lowest RPP of all the MSAs with a large hub Airport. **Figure 1-14** provides the RPPs for all MSAs with a large hub airport for CY 2023.

Figure 1-14 Regional Price Parity for MSAs with Large Hub Airports (CY 2023)

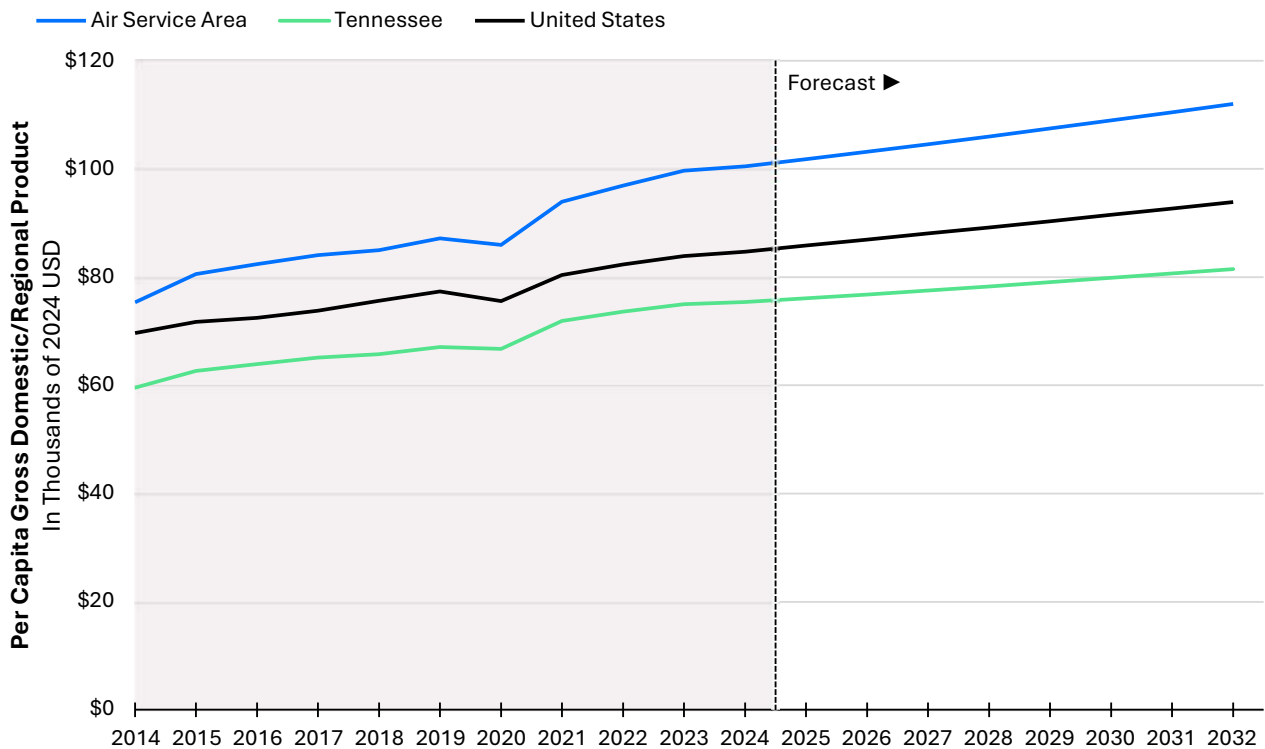


Source: Bureau of Economic Analysis, Regional Price Parities by State and Metro Area, accessed online at <https://www.bea.gov/data/prices-inflation/regional-price-parities-state-and-metro-area>.

1.2.5 Gross Domestic/Regional Product

Gross domestic product (GDP) and GRP are measures of the value of all final goods and services produced within a geographic area. These 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 1-15** presents the historical and forecast GDP for the U.S. and the GRP for the State and ASA on a per capita basis from CY 2014 through CY 2032. Over the period shown, GRP for the ASA on a per capita basis has consistently been higher than that of the U.S. GRP in the region is forecast to remain above the U.S. GDP through the period.

Figure 1-15 Historical and Forecast Per Capita Gross Domestic/Regional Product (CY 2014 – CY 2032)

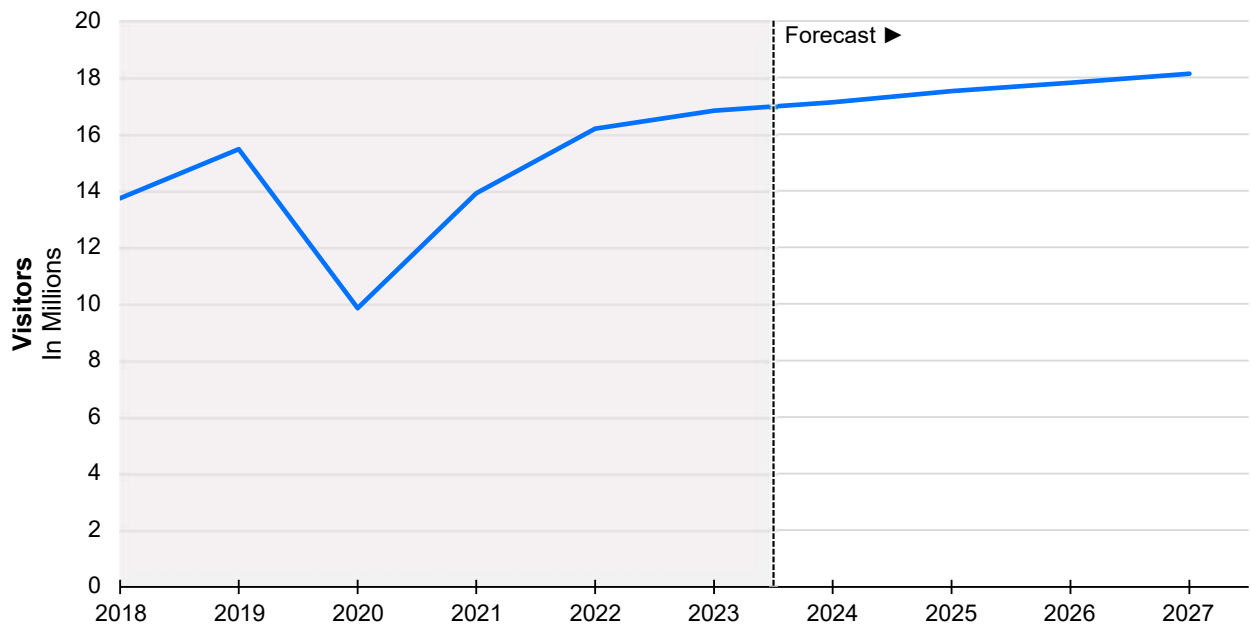


Source: Woods & Poole Economics, Inc., 2025 Complete Economic and Demographic Data Source, June 2025.

1.2.6 Regional Tourism and Visitors

In CY 2024, the State welcomed approximately 147 million visitors that directly spent \$31.7 billion that directly supported 194,820 jobs.³⁴ Nashville serves as the principal tourism destination in the State, as well as a top destination in the country, welcoming visitors from both domestic and international markets. In CY 2023 (the latest year of data at a county level), Nashville welcomed 16.8 million visitors that directly spent \$10.8 billion. Figure 1-16 provides the historical visitors to Nashville as well as a forecast of future visitors. Current forecasts indicate that visitors will increase to 18.1 million by CY 2027.³⁵ Domestically, Atlanta, Chicago, and Louisville are the top out-of-State feeder cities³⁶ while internationally the top three countries are Canada, United Kingdom, and Japan. The City's visitor economy is fuelled by its world-renowned music scene, its culinary offerings, major seasonal events, professional and amateur sporting events, and a rapidly growing convention and meetings sector.

Figure 1-16 **Historical and Forecast Visitors to Nashville (CY 2018 – CY 2027)**



Source: Tourism Economics, Research & Hospitality States, accessed online at <https://www.visitmusiccity.com/about/research>.

³⁴ Tourism Economics, 2024 Economic Impact of Visitors to Tennessee, accessed online at Research | Tennessee Vacation Industry

³⁵ Nashville Convention & Visitors Corp, Research & Hospitality Stats, accessed online at <https://www.visitmusiccity.com/research>.

³⁶ A feeder city is a geographical area that supplies travelers to tourist destinations or attractions.

1.2.6.1 *Music City and Cultural Attractions*

Nashville is known as “Music City” and is home to a number of significant music and cultural attractions, including the Country Music Hall of Fame and Museum, Ryman Auditorium known as the “Mother Church of Country Music”, and the world-famous Grand Ole Opry. According to the tourism board, approximately 40% of all Nashville visitors reported that music was the primary reason for their trip. In CY 2023, the Country Music Hall of Fame alone welcomed over 1.6 million visitors, making it one of the top-visited music museums in the world.

Lower Broadway is home to more than 40 live music venues. The assembly of live music bars, many of which are owned or branded by country music stars, has made Lower Broadway one of the most visited entertainment districts in the U.S., attracting an estimated 10 million visitors annually. Music venues located in downtown Nashville include the Schermerhorn Symphony Center, Nashville Municipal Auditorium, and War Memorial Auditorium, among others.

In addition to country music, Nashville offers a broad spectrum of genres including Americana, bluegrass, rock, jazz, gospel, and indie. Notable additional destinations include the National Museum of African American Music and the Musicians Hall of Fame & Museum.

Nashville is also home to the Country Music Association Festival, one of the largest country music festivals in the world, drawing over 90,000 daily attendees across four days. Other major annual music events include the Americana Music Festival, the Tin Pan South Songwriters Festival, Let Freedom Sing! Music City July 4th, New Year’s Eve Live: Nashville’s Big Bash, and Live on the Green. Combined these five events draw over 600,000 attendees annually.

Nashville is home to over 180 recording studios and more than 5,000 working musicians, and visitors can tour or view legendary locations such as RCA Studio B and Historic RCA Studio A, sites of recordings by Elvis Presley, Dolly Parton, Johnny Cash, and other music legends. Guided tours and interactive experiences are increasingly popular for both domestic and international tourists.

1.2.6.2 *Outdoor Tourism*

The City serves as a gateway to Middle Tennessee’s lakes, rivers, greenways, and state parks, making it a year-round hub for both residents and visitors seeking outdoor experiences. Tennessee’s state park system welcomed a record 43 million visitors in CY 2023. The Middle Tennessee region, anchored by Nashville, is home to several of the State’s most popular parks and natural areas. Radnor Lake State Park is located 10 miles from downtown, known for wildlife viewing and more than eight miles of hiking trails, it welcomes over 1.6 million visitors annually. Just southeast of Nashville is Long Hunter State Park which surrounds Percy Priest Lake; the park features hiking, cycling, paddling, and camping bringing more than one million visitors per year.

Nashville is also a starting point for visitors to the Natchez Trace Parkway, a 444-mile scenic byway stretching from Tennessee to Mississippi. The Parkway is popular with cyclists, motorcyclists, and RV travellers, and was visited by more than 6.0 million travellers in CY 2023.

1.2.6.3 Sports and Major Sporting Events

Nashville is home to the National Football League's (NFL's) Tennessee Titans, the National Hockey League's (NHL's) Nashville Predators, the Major League Soccer's Nashville SC, the Major League Baseball (MLB) Triple-A Nashville Sounds, and the Indoor Football League's Nashville Kats. The Tennessee Titans are currently constructing a new stadium, detailed in Section 1.2.7 below. The Nashville Predators play at Bridgestone Arena, a multi-purpose indoor venue that holds up to 20,000 seats, and is also used for concerts, basketball, award shows, and other events. adjacent to the Music City Center. Nashville SC plays at GEODIS Park at the Nashville Fairgrounds, this 30,105-seat stadium is the largest soccer-specific stadium in the United States and Canada and also hosts a variety of performances and events. Nashville continues to emerge as one of the top two markets under consideration for a new MLB franchise, alongside Salt Lake City. This is still in the early stages with expansion teams debuting in the 2031 season at the earliest. Nashville also has hosted major sporting events, such as the 2023 NHL Draft and NHL Awards, 2025 FIFA Club World Cup, the 2019 NFL Draft, Southeastern Conference Men's Basketball Tournament, the National Collegiate Athletic Association (NCAA) basketball tournament regional games, U.S. Men's and Women's National Soccer Team matches, and the Music City Grand Prix.

1.2.6.4 Universities

Vanderbilt University is a private research university in Nashville, Tennessee. Founded in 1873, the university had a total enrollment of 13,575 students, including 7,221 undergraduate and 6,354 graduate and professional students in Fall 2024. Almost all students (94.5%) are enrolled full-time. Among the student body, 12.3% are international students and scholars, as reported in the university's international data. Vanderbilt employs approximately 1,841 faculty members and 7,412 staff as of 2025. Vanderbilt is classified by the Carnegie Classification as an R1 institution, recognizing its status as a doctoral-granting university with very high research activity. In 2023, Vanderbilt, in conjunction with Vanderbilt University Medical Center, allocated \$1 billion to research and development, underscoring its significant investment in discovery and innovation. The university plays a major role in the Nashville and Tennessee economies. Between 2019 and 2024, Vanderbilt University and Vanderbilt University Medical Center generated a cumulative \$22.13 billion in economic impact across the region.

Middle Tennessee State University is a public research university located in Murfreesboro, Tennessee. Founded in 1911, MTSU is the largest undergraduate university in the State, with an enrollment of 20,488 students, including 18,042 undergraduates and 2,446 graduate and professional students, in Fall 2024. The university employs 900 full-time faculty and approximately 2,100 staff members. Belmont University and Lipscomb University are prominent private institutions in Nashville, Tennessee. Belmont University had an enrollment of approximately 8,803 students (7,175 undergraduate and 1,628 graduate and professional students) in Fall 2024. Lipscomb University had an enrollment of around 4,675 students in Fall 2024, (3,024 undergraduates and 1,651 graduate and professional students). Combined, the institutions employ over 700 full-time faculty and more than 2,000 staff.

1.2.6.5 Conferences and Meetings

The Nashville Convention Center, Music City Center, and adjacent hotels have positioned the City as a leading meetings and conventions destination in the southeast U.S. In CY 2023, the City hosted over 520

conventions and meetings, welcoming more than 535,000 group and business travelers and generating approximately \$455 million in direct spending. In 2025, there are several major conventions still scheduled to take place. The AutoDesk University (AU) 2025 took place in September 2025. AU 2024 had approximately 12,000 attendees in 2024 and it is expected that AU 2025 drew an increased number of attendees. Magic Nashville, a contemporary fashion show, returned in October 2025; the event welcomed 3,500 attendees in 2024. The National Association of Agricultural Educators Convention attracted over 4,000 attendees during December 8-12, 2025. Other major events for 2025 included the International Entertainment Buyers Association Conference in October and the International Money Expo in September.

New hotel developments continue to support the City's ability to host large-scale events. Notably, the Grand Hyatt Nashville and the Four Seasons Hotel have opened within the past two years, adding significant hotel room capacity to the downtown hospitality market. In July 2022, the 591-room Conrad Nashville opened in the Midtown neighborhood close to Music Row, offering over 45,000 square feet of meeting space.

1.2.7 Proposed Regional Projects

In July 2025, State and U.S. officials announced that the Boring Company would construct the "Music City Loop". The Music City Loop is proposed to be a 10-mile underground transit tunnel that would connect the Airport to downtown Nashville. The project has the potential to dramatically reduce ground access times between downtown Nashville and the Airport to as little as eight minutes with less of a chance for traffic impacts associated with rush hour and major events. The reduction in ground access time would be a major benefit to the region to remain competitive for meetings, conventions, and major events. Initially, the system is expected to deploy human-driven Tesla vehicles but would ultimately utilize a fleet of autonomous electric cars to shuttle passengers. The privately funded project was initially expected to start construction in late 2025. The project faces a number of regulatory requirements, requiring 45 separate permits and approvals from the Tennessee Department of Transportation and other agencies for the tunnelling work.

This project is planned to be privately funded and the Authority is expected to have no financial or other obligations with respect to the Music City Loop project. The Authority has begun preliminary review to determine what, if any, facility improvements would need to be made at the Airport to accommodate the project (i.e. a station for picking up and dropping off passengers), any financial or operational impacts associated with this project and identifying any potential revenue agreements related to ridership. There is currently no agreement between the Boring Company and the Authority, however, discussions are ongoing. For the purposes of the financial analysis provided in this Report, no impacts related to the Authority's Capital Program, operating expenses, or revenues have been assumed.

A new state-of-the-art, domed stadium is currently being constructed for the Tennessee Titans on Nashville's East Bank. The new \$2.1 billion stadium is scheduled to be open for the 2027 NFL season and will seat around 60,000 spectators. The stadium is the centerpiece of the broader East Bank redevelopment efforts and is designed to serve as a year-round facility that will not only accommodate NFL games, but also concerts, conventions, NCAA Final Fours and football championships, and other large-scale gatherings. The City is actively pursuing its first Super Bowl bid for 2029, and the stadium is expected to provide a suitable venue.

Oracle has committed to a large-scale investment in Nashville with a new campus on the East Bank of the Cumberland River to serve as its world headquarters. The project is estimated to cost between \$1.2 and \$1.35 billion, which includes the acquisition of 60 to 65 acres of land. The investment also includes several infrastructure investments such as parks and a pedestrian bridge. Construction has not yet begun. However, when completed, the campus is expected to provide jobs to approximately 8,500 employees by 2031.

In the Nashville Yards development, a mixed use, 18-acre redevelopment in downtown Nashville, Amazon has been constructing its Operations Center of Excellence. When complete, the Center will comprise two towers. The first tower was completed in the summer of 2021 and is currently occupied. The second tower is currently under construction with Amazon planning to have the tower completed and occupied in 2026. Amazon also leases space in another building in Nashville Yards. Overall, Amazon plans to create 5,000 corporate and technology jobs in Nashville through its investments.

Other counties within the ASA are also seeing corporate development and expansion. Advanex Americas, a leading spring manufacturer, plans to invest approximately \$11.4 million to expand its U.S. headquarter facilities in Robertson County. Barrett Firearms is currently undertaking a significant expansion in Rutherford County that will serve as the company's global manufacturing site for firearms. Also in Rutherford County, Topre America, an automaker supplier, is expanding its plant with an investment of \$57.8 million.

Tennessee's Transportation Modernization Act, passed in 2023, gave the Tennessee Department of Transportation (TDOT) authority to use public-private partnerships (P3) and "Choice Lanes" to manage congestion without tolling existing lanes. The first major project is the I-24 Southeast Choice Lanes, an approximately 26-mile corridor between downtown Nashville and Murfreesboro. This corridor will have optional tolled lanes added alongside free general lanes. A private partner will design, build, finance, operate, and maintain the lanes while the TDOT retains ownership.

The City's "Choose How You Move" program was approved in 2024. The program's \$3.1 billion budget is funded by a half-cent sales tax increase. The goal of the program is to expand and modernize the City's mobility network. Key elements include adding 86 miles of sidewalks and nearly 600 smart traffic signals, creating 54 miles of All-Access Corridors with improved transit priority, and expanding public transit to offer 24/7 service Citywide.

1.2.8 Summary

Table 1-4 presents a summary of historical and forecast economic variables for the ASA and for the U.S. through CY 2032 including population, employment, PCPI, and per capita GDP/GRP. As shown, population, employment, per capita personal income, and GRP have each increased at a higher rate in the ASA than in the U.S. as a whole since 2014, and are all expected to be at or above pace with the U.S. through 2032.

Table 1-4 Socioeconomic Indicators Forecasts (CY 2014 – CY 2032)

		Population in thousands		Employment in thousands		PCPI in 2024\$		Per Capita GDP/GRP in millions of 2024\$	
		ASA	U.S.	ASA	U.S.	ASA	U.S.	ASA	U.S.
Year									
Historical	2014	1,808	319,273	1,181	186,240	60,896	58,860	75,364	69,677
	2015	1,846	321,836	1,230	190,326	64,043	61,001	80,546	71,712
	2016	1,887	324,373	1,280	193,426	65,513	61,536	82,393	72,444
	2017	1,925	326,615	1,331	196,394	66,677	62,992	84,056	73,764
	2018	1,959	328,535	1,378	200,292	69,041	64,519	84,949	75,649
	2019	1,989	330,232	1,409	201,635	72,033	66,298	87,177	77,370
	2020	2,022	331,578	1,393	195,287	75,104	69,769	85,941	75,548
	2021	2,034	332,100	1,474	202,752	80,541	73,044	93,895	80,361
	2022	2,078	334,017	1,563	212,442	79,597	70,304	96,894	82,347
	2023	2,114	336,806	1,604	216,941	80,570	71,152	99,661	83,894
	2024	2,151	340,111	1,631	219,550	82,289	72,099	100,465	84,716
Forecast	2025	2,177	342,266	1,659	222,121	83,624	73,324	101,786	85,819
	2026	2,204	344,412	1,688	224,673	84,969	74,532	103,146	86,927
	2027	2,231	346,537	1,717	227,221	86,332	75,733	104,542	88,048
	2028	2,258	348,634	1,747	229,769	87,710	76,929	105,975	89,184
	2029	2,285	350,719	1,777	232,318	89,103	78,121	107,439	90,332
	2030	2,312	352,789	1,808	234,868	90,513	79,313	108,935	91,493
	2031	2,339	354,841	1,839	237,418	91,941	80,505	110,456	92,668
	2032	2,365	356,836	1,871	239,968	93,400	81,706	112,020	93,867
Range		Average Annual Growth Rate							
2014-19		1.9%	0.7%	3.6%	1.6%	3.4%	2.4%	3.0%	2.1%
2019-24		1.6%	0.6%	3.0%	1.7%	2.7%	1.7%	2.9%	1.8%
2024-32		1.3%	0.6%	1.7%	1.1%	1.7%	1.5%	1.3%	1.3%

Source: Woods & Poole Economics, Inc., 2025 Complete Economic and Demographic Data Source, June 2025.

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 2032.

2.1 Air Service at the Airport

The following sections evaluate current air service 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.

2.1.1 Airlines Operating at the Airport

The Airport provides a diverse mix of air service from the primary U.S. airlines and certain foreign flag airlines. Through data available in November 2025, the Airport will have scheduled passenger service during CY 2025 by five U.S. network airlines,³⁷ one low-cost carrier (LCC),³⁸ five ultra-low-cost carriers (ULCCs),³⁹ nine U.S. regional affiliates and commuter airlines, and nine foreign flag and international regional airlines. **Table 2-1** provides a list of the scheduled passenger and all-cargo airlines that will serve the Airport, either year-round or seasonally, during CY 2025, based on data through November 2025.

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 six-year period from FY 2020 through FY 2025. In FY 2020, Southwest accounted for 52.1% of the total enplaned passengers at the Airport. In FY 2021, Southwest gained market share while the other network carriers and international carriers reduced service at the Airport. However, this increase in share was subsequently reduced as those carriers returned service after the COVID-19 pandemic but also as ULCCs ramped up service at the Airport. In FY 2020, ULCCs accounted for 5.3% of the entire enplaned passenger market share but increased their share to 8.2% by FY 2025.

³⁷ For the purposes of this Report, Alaska Airlines, American Airlines, Delta Air Lines, Southwest Airlines, and United Airlines are considered network airlines.

³⁸ For the purposes of this Report, JetBlue Airways is considered a low-cost carrier.

³⁹ For the purposes of this Report, Allegiant Air, Avelo Airlines, Frontier Airlines, Spirit Airlines, and Sun Country Airlines are considered ultra-low-cost-carriers.

Table 2-1 Airlines Operating at the Airport during CY 2025 (based on data as of November 2025)

U.S. Network Carriers				
Alaska Airlines	American Airlines	Delta Air Lines	United Airlines	Southwest Airlines
Low-Cost Carriers				
JetBlue Airways				
Ultra-Low-Cost Carriers				
Allegiant Air	Avelo Airlines	Frontier Airlines	Spirit Airlines	Sun Country Airlines
U.S. Regional/Commuter Passenger Carriers				
Commutair ¹	Contour Airlines	Endeavor Air ²	Envoy ³	GoJet ¹
Mesa Airlines ¹	Republic Airways ^{1, 2, 3}	SkyWest Airlines ^{1, 2, 3}	Vacation Express	
Foreign Flags/International Regional Carriers				
Aer Lingus	Air Canada / Jazz Aviation	Air Canada Rouge	Air Georgian	British Airways
Icelandair	Viva Aerobus	WestJet	WestJet Encore	
Air Cargo Carriers				
Federal Express	Air Transport International	Airbourne Express	Amazon Prime	Atlas Air
DHL	Kalitta Air	Mountain Air Cargo		

¹ Doing business as United Airlines.² Doing business as Delta Air Lines.³ Doing business as American Airlines.

Note: While Southwest is still classified as a Low-Cost Carrier, it is classified as a network carrier for the purposes of this report.

Source: Metropolitan Nashville Airport Authority, Activity Report November 2025.

Table 2-2 Enplaned Passenger Market Share at the Airport (FY 2020 – FY 2025)

Airline	Enplaned Passengers in thousands						Market Share					
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Southwest	3,572	3,092	4,946	5,575	6,104	6,646	52.1%	60.0%	53.7%	51.1%	51.6%	53.7%
American	1,070	725	1,472	1,570	1,678	1,679	15.6%	14.1%	16.0%	14.4%	14.2%	13.6%
Delta	971	504	1,105	1,336	1,409	1,500	14.2%	9.8%	12.0%	12.2%	11.9%	12.1%
United	539	306	691	836	910	939	7.9%	5.9%	7.5%	7.7%	7.7%	7.6%
Spirit Airlines	122	172	269	418	529	488	1.8%	3.3%	2.9%	3.8%	4.5%	3.9%
Allegiant Air	115	137	253	408	465	338	1.7%	2.7%	2.7%	3.7%	3.9%	2.7%
Alaska Airlines	88	65	103	114	156	189	1.3%	1.3%	1.1%	1.0%	1.3%	1.5%
JetBlue Airways	99	45	149	228	163	155	1.4%	0.9%	1.6%	2.1%	1.4%	1.2%
Frontier Airlines	126	74	119	164	123	112	1.8%	1.4%	1.3%	1.5%	1.0%	0.9%
Air Canada	33	0	22	58	32	88	0.5%	0.0%	0.2%	0.5%	0.3%	0.7%
British Airways	33	0	12	55	66	76	0.5%	0.0%	0.1%	0.5%	0.6%	0.6%
WestJet	29	0	16	36	55	72	0.4%	0.0%	0.2%	0.3%	0.5%	0.6%
Sun Country	0	17	25	37	46	45	0.0%	0.3%	0.3%	0.3%	0.4%	0.4%
Avelo Airlines	0	0	0	0	0	32	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%
Other	61	16	37	85	91	28	0.9%	0.3%	0.4%	0.8%	0.8%	0.2%
Total	6,858	5,152	9,218	10,920	11,826	12,385	100.0%	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, accessed August 2025.

2.1.2 Current Nonstop Service

Based on data as of November 2025, during CY 2025 there is scheduled service to 118 destinations (106 domestic and 12 international) from the Airport, including both year-round and seasonal service.⁴⁰ The 118 destinations include new domestic nonstop service to Gulf Shores, Alabama (GUF) that began in November 2025. **Figure 2-1** illustrates the scheduled domestic and international nonstop markets at the Airport, including the announced new service. In October 2025, there were 341 average daily departures serving nonstop service. Southwest has announced expanded service beginning in March 2026. The new service will add four new markets including: Montego Bay, Jamaica; San José, Costa Rica; Knoxville, Tennessee; and Montrose, Colorado. Southwest also announced service to Little Rock, Arkansas.

During CY 2019 there was scheduled service to 77 destinations (73 domestic and 4 international) from the Airport, including both year-round and seasonal service. Prior to CY 2022, there were only four international nonstop destinations with year-round service at the Airport: Calgary, Canada (YYC); Toronto, Canada (YYZ); Cancun, Mexico (CUN); and London, United Kingdom (LHR). However, in CY 2025, there are now 12 international nonstop destinations, which includes six to Canada, three to Latin America, and three to Europe.

2.1.3 Origin and Destination Markets

Table 2-3 provides information regarding the Airport's top 25 domestic O&D markets, including the number of daily O&D enplaned passengers for CY 2024 and the airlines with nonstop service to those markets. Certain markets, such as New York City, serve multiple airport destinations. The New York City market is the largest O&D market served from the Airport with an average of 1,894 daily O&D enplaned passengers. As of August 2025, the Airport had nonstop service to all of its top 25 O&D markets and all, except San Diego (SAN), have service provided by more than one airline, and 18 of the 25 have service provided by three or more airlines. This competition among airlines serving the same markets can lead to lower fares. Additionally, there is nonstop service to 66 of the top 75 O&D markets from the Airport.

The Airport's top international market is Cancun, Mexico, which has nonstop service from four airlines. Other major international O&D markets include London in the United Kingdom, Punta Cana in the Dominican Republic, Montego Bay in Jamaica, Vancouver in Canada, and San Jose del Cabo in Mexico. Montego Bay is the only one of these markets that does not currently have nonstop service in some capacity either year-round or seasonally. However, new seasonal service provided by Southwest to Montego Bay has been announced to begin in March 2026.

⁴⁰ Some service is seasonal and may not operate in a given month.

Source: Metropolitan Nashville Airport Authority, Nonstop Flights, accessed October 2025.



Table 2-3 Top 25 Domestic O&D Markets from the Airport (CY 2024)

Region	Nonstop Service	Airlines with Nonstop Service									Enplaned O&D Passengers	
		WN	AA	DL	UA	NK	G4	AS	B6	OAL	Per Day	Share
New York City	EWR, JFK, LGA	✓	✓	✓	✓	✓			✓		1,894	7.8%
Los Angeles Basin	LAX, BUR, LGB, ONT, SNA	✓	✓	✓		✓					1,307	5.4%
South Florida	FLL, MIA, PBI	✓	✓			✓	✓				1,205	5.0%
Baltimore / Washington	BWI, DCA, IAD	✓	✓	✓	✓	✓					1,108	4.6%
Chicago	MDW, ORD	✓	✓		✓	✓				✓	1,043	4.3%
Dallas / Ft. Worth	DAL, DFW	✓	✓							✓	996	4.1%
Orlando	MCO, SFB	✓		✓		✓	✓			✓	977	4.0%
Denver	DEN	✓			✓					✓	780	3.2%
Boston	BOS	✓		✓			✓		✓		750	3.1%
Tampa / St. Petersburg	PIE, SRQ, TPA	✓	✓			✓	✓				733	3.0%
Philadelphia	PHL	✓	✓			✓				✓	648	2.7%
Houston	HOU, IAH	✓			✓	✓					582	2.4%
Phoenix	PHX	✓	✓								569	2.4%
Las Vegas	LAS	✓				✓					552	2.3%
Minneapolis / St. Paul	MSP	✓		✓						✓	518	2.1%
Austin	AUS	✓		✓							513	2.1%
San Francisco Bay	SFO, SJC	✓			✓	✓					481	2.0%
Seattle	SEA	✓		✓		✓		✓			447	1.9%
Detroit	DTW	✓		✓		✓					435	1.8%
Florida Panhandle	ECP, PNS, VPS, GUF	✓					✓				388	1.6%
Raleigh / Durham	RDU	✓	✓	✓							374	1.5%
Charlotte	CLT	✓	✓			✓					360	1.5%
San Diego	SAN	✓									318	1.3%
Salt Lake City	SLC	✓		✓							290	1.2%
Jacksonville	JAX	✓					✓				250	1.0%
Top 25											17,516	72.5%
Other											6,641	27.5%
Total											24,157	100.0%

Note: WN = Southwest; AA = America; DL = Delta; UA = United; NK = Spirit; G4 = Allegiant; AS = Alaska Airlines; B6 = JetBlue; OAL = Other Airlines.

Source: Cirium, Diio Mi, US DOT Origin and Destination Survey Data, accessed August 2025.

2.1.4 Airline Revenue Performance at the Airport

Airline revenue performance at an airport can be measured primarily by three key airline metrics: revenue per available seat mile, yield, and load factor. 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 ASM. 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 is a volume-related measurement and yield is a price measurement; RASM factors in both and, thus, is considered the key airline revenue metric.
- **Yield** –Yield is an industry measurement for price represented by the measure of revenue received for each passenger mile flown. Yield reflects the average fare paid by passengers, adjusted for the distance flown.
- **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 available seat miles (ASMs). 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. 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.

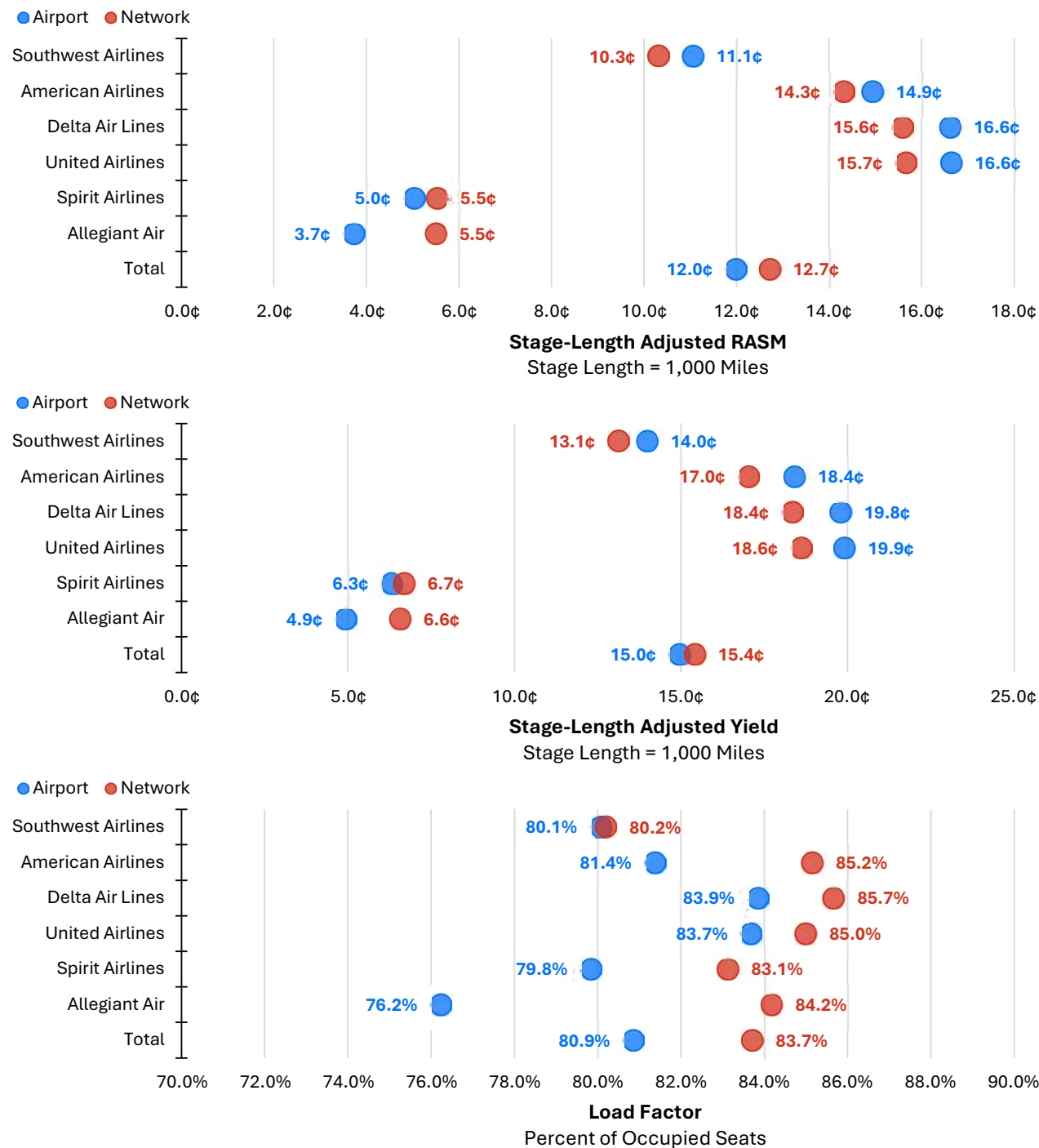
In general, the higher the RASM or yield the more profitable an airline is assuming that the number of ASMs remain constant over time. Since an airline’s revenue does not necessarily increase proportionately with the distance it flies, both RASM and yield will typically decrease as the overall length 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)⁴¹ values are expressed in a base of 1,000 miles.

Figure 2-2 compares key airline revenue metrics for the six largest airlines serving the Airport. The metrics at the Airport are compared to the airline’s network average. 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.

⁴¹ 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:

$$SLA \text{ Value} = \text{Value} * (\text{observed length of haul}/1000)^{0.5}.$$

Figure 2-2 Key Airline Revenue Metrics at the Airport (CY 2024)



Notes: 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:
$$\text{Stage Length Adjusted Value} = \text{Value} * (\text{observed length of haul}/1,000)^{0.5}$$

Source: Cirium, Diio, US DOT Reports DB1A and T100, accessed August 2025.

The major network carriers, which account for 86.9% of the enplaned passenger traffic at the Airport, all had RASMs and yields that exceed their network average.

2.1.5 Southwest Airlines Operations at the Airport

The Airport is of major significance for Southwest. The airline has shown a serious commitment to the Airport over the years which has been reinforced post-COVID-19 pandemic. In CY 2019, the Airport was the 14th busiest airport in the airline’s network. While the airline did reduce capacity during the pandemic it not only returned service quickly but has continued to add capacity. From CY 2019 to CY 2024, the airline has added 2.2 million scheduled departing seats, the 4th most at any airport in its network over that period. In CY 2024, the Airport was the 8th busiest airport in the airline’s network based on departing seats in CY 2024. **Table 2-4** presents the number of departing seats for the largest airports in Southwest’s network as well as the number of nonstop destinations provided by Southwest at each airport in CY 2024. This table also presents the change in departing seats for these airports from CY 2019 to CY 2024. As shown, BNA experienced seat growth of 36.2% over this period, which was the third largest seat increase among the busiest airports in Southwest’s network behind Austin and Denver.

In August 2023, Southwest Airlines further committed to the Airport by announcing the addition of a crew base, the 12th in the airline’s system. The new crew base opened in May 2024, initially housing 150-200 pilots and 500-700 flight attendants, with the ability to expand to support Southwest’s continued growth.⁴²

Southwest has continued to add service at the Airport. As of October 2025, Southwest has scheduled service during CY 2025 from the Airport to 78 destinations with an average of 158 daily departures. **Figure 2-3** presents Southwest Airlines’ route map from the Airport as of October 2025. 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 Mexico and Central America. Southwest serves many of the major markets in the U.S. from the Airport on a nonstop basis. Across its entire system, Southwest operated more than 4,280 flights on peak days⁴³ in October 2025, serving 104 destinations across the U.S. and 13 international destinations to 10 countries.

Relative profitability is a key factor to assess when evaluating an airline’s performance at an airport. SLA-RASM for Southwest’s network was analyzed and provided in **Figure 2-4**. In CY 2024, Southwest had a network-wide SLA-RASM 10.4¢ while the SLA-RASM for Southwest at the Airport was 11.1¢. While some of the smaller airports in the airline’s network far exceeded this average, they were not at the same capacity as airports like BNA. Out of the 20 busiest airports in Southwest’s network in terms of departing seats, the Airport was the 5th best in terms of SLA-RASM.

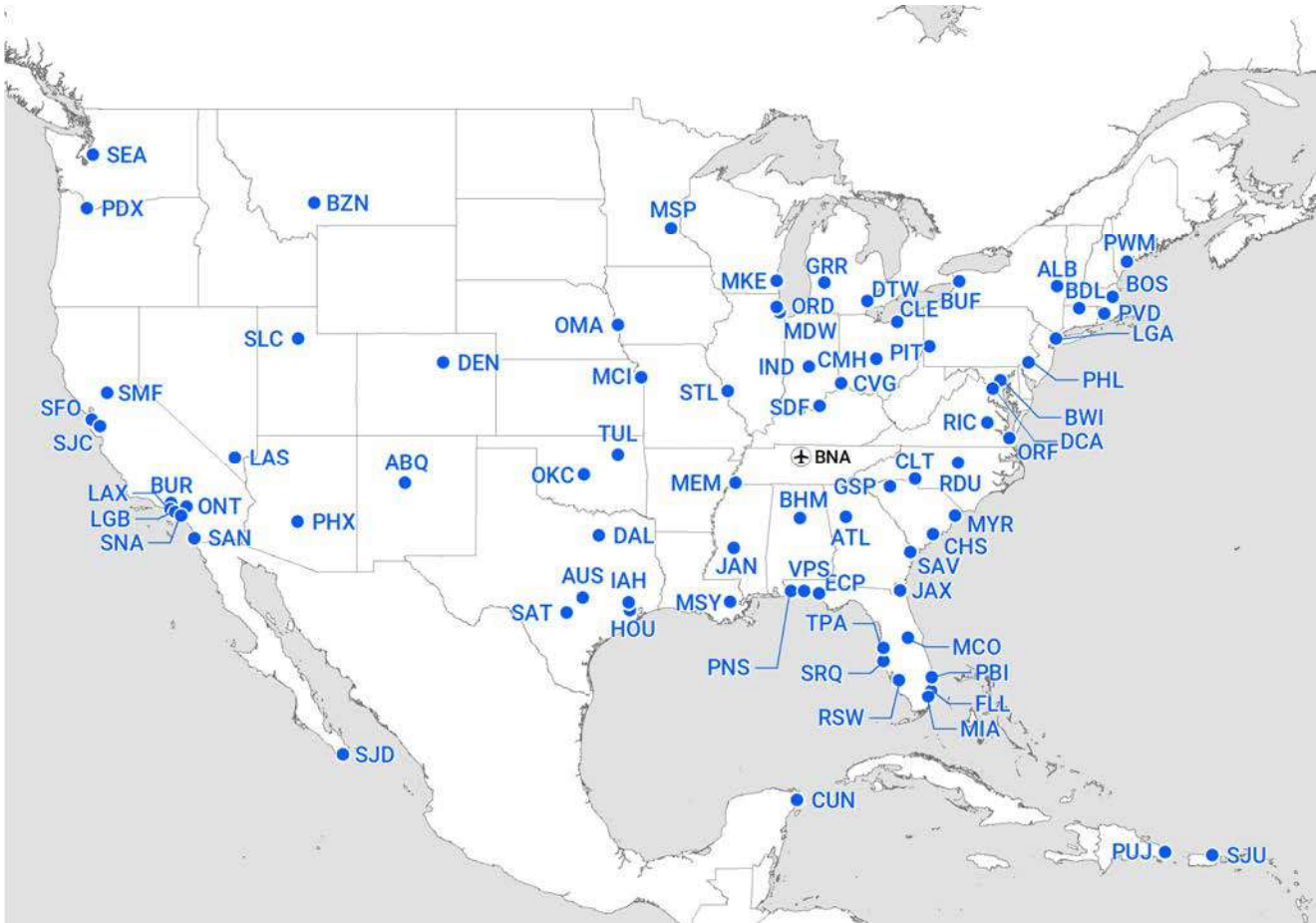
⁴² Nashville International Airport, Nashville International Airport to Become New Crew Base for Southwest Airlines, accessed online at <https://flynashville.com/news/nashville-international-airport-to-become-new-crew-base-for-southwest-airlines>.
⁴³ Southwest operates at a higher system-wide capacity on Monday, Thursday, Friday, and Sunday.

Table 2-4 Top 20 Southwest Airlines Busiest Airports Ranked by Departing Seats (CY 2024)

Airport	Code	Departing Seats			Nonstop Served	
		Total	Rank	2019-24 Change	Total	Rank
Denver International Airport	DEN	15,703,968	1	+40.7%	96	1
Harry Reid International Airport	LAS	13,775,714	2	+27.9%	72	5
Baltimore/Washington International Thurgood Marshall Airport	BWI	12,181,576	3	+10.1%	74	4
Chicago Midway International Airport	MDW	11,773,241	4	-3.0%	79	3
Dallas Love Field Airport	DAL	11,151,129	5	+8.5%	80	2
Phoenix Sky Harbor International Airport	PHX	10,754,799	6	+14.5%	61	9
William P. Hobby Airport	HOU	8,854,410	7	+0.4%	72	5
Nashville International Airport	BNA	8,223,099	8	+36.2%	66	7
Orlando International Airport	MCO	7,566,228	9	+19.0%	61	9
St. Louis Lambert International Airport	STL	6,658,278	10	+9.0%	62	8
Austin International Airport	AUS	5,963,234	11	+61.8%	54	11
Oakland San Francisco Bay Airport	OAK	5,523,511	12	-13.0%	35	16
Hartsfield-Jackson Atlanta International Airport	ATL	5,341,021	13	-12.1%	43	13
San Diego International Airport	SAN	5,242,476	14	-15.7%	33	17
Sacramento International Airport	SMF	4,748,149	15	+6.9%	28	19
Mineta San Jose International Airport	SJC	4,459,621	16	-17.2%	27	20
Los Angeles International Airport	LAX	4,154,132	17	-33.7%	29	18
Tampa International Airport	TPA	3,973,688	18	-8.8%	45	12
Kansas City International Airport	MCI	3,888,877	19	+7.5%	43	13
Louis Armstrong New Orleans International Airport	MSY	2,983,147	20	-6.6%	27	20

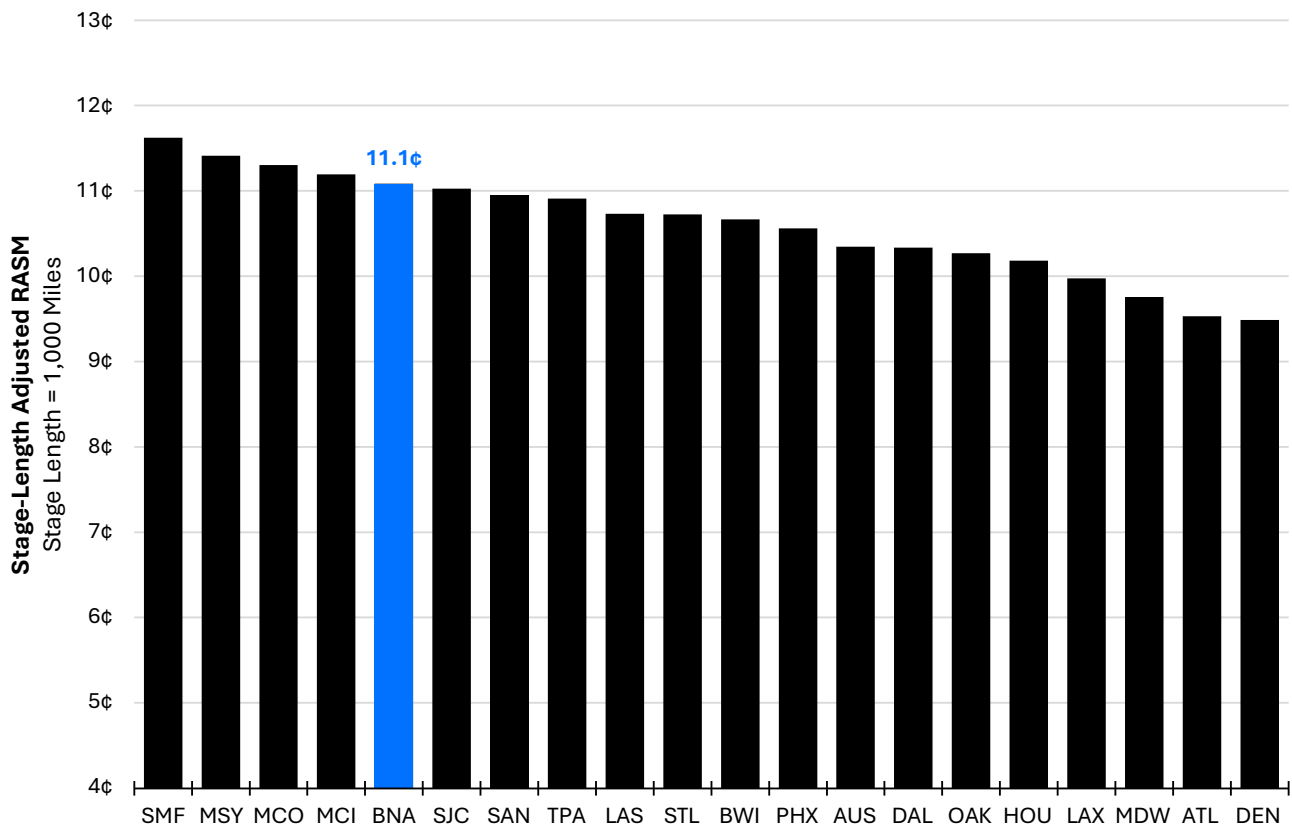
Source: Cirium, Diio Mi, Schedule – Dynamic Table, Accessed August 2025.

Figure 2-3 Southwest Airlines Map of Nonstop Destinations (During CY 2025)



Source: Cirium, Diio Mi, Schedule – Dynamic Table, Accessed October 2025.

Figure 2-4 Stage-Length Adjusted RASM at Top 20 Busiest Southwest Airlines Airports (CY 2024)



Notes: SLA Value = Value * (observed length of haul/1,000)^{0.5}
 Source: Cirium, Diio Mi, Schedule – Dynamic Table, accessed August 2025.

Southwest Airlines has historically been known as a low-cost carrier that provided a point-to-point network, as opposed to the traditional hub-and-spoke network. Despite a focus on this network, there were some airports that grew naturally into larger operations which provided available connections. Initially, the airline avoided giving these airports special designation but in the 2000s, Southwest Airlines started referring to them as focus cities and started optimizing schedules to facilitate some connecting itineraries. The focus city model is even more pronounced today, with banking structures built into their flights to maximize connections. This evolution has morphed the airline into a more hybrid model that combines aspects of a traditional hub-and-spoke network with a point-to-point network. Recently, the airline has announced new policies that align it more closely with legacy network carriers. In March 2025, Southwest Airlines introduced a new fare structure. The new structure includes a basic economy fare that removes certain long-standing benefits, such as flexible changes. In May 2025, the airline ended its iconic “Bags Fly Free” policy. The airline has announced that it will shift to an assigned-seating model in early 2026 and introduce extra-legroom seating options. It is evident that the airline is evolving into an airline that more closely resembles a traditional network carrier. It is unclear what the full impact the evolution of the airline will have on the Airport. However, Southwest Airlines considers the Airport a focus city and will likely continue to be of strategic focus in the future.

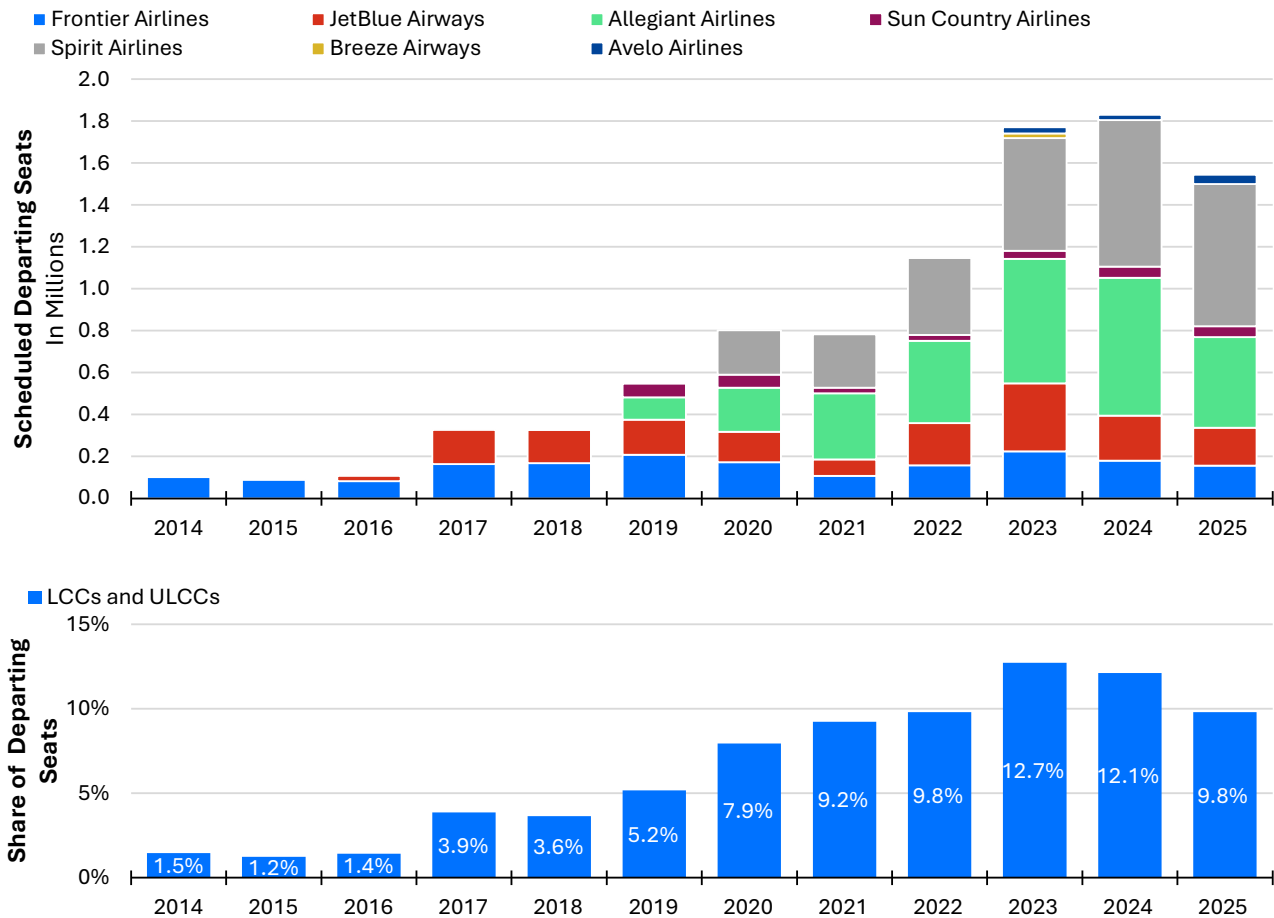
2.1.6 Low-Cost and Ultra-Low-Cost Carrier Operations at the Airport

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 and 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 then aggressively added service in 2021 and 2022. Most recently, 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. Initially, this business model fared better during the COVID-19 pandemic as leisure travel has recovered at a faster rate than business travel. However, in FY 2025, these carriers scaled back their operations at the Airport. Spirit Airlines eliminated service at the Airport to several key east coast destinations as part of its overall network contraction. In FY 2024, Spirit Airlines accounted for 38.2% of the LCC and ULCC capacity at the Airport. Despite a 3.1% reduction in departing seats in 2025 as compared to 2024, the airline increased its share of the capacity, reaching 43.9%. Allegiant Air and Frontier Airlines thrive on underserved, price-sensitive markets. However, the continued expansion of Southwest and other network carriers presence due to the Airport's growing significance has resulted in stronger competition to these markets. As a result, the ULCCs have eliminated routes that are underperforming at the Airport.

Overall, LCC and ULCC service at the Airport increased from 101,250 scheduled departing seats serving two markets during FY 2014 to more than 1.5 million scheduled departing seats (or 9.8% of the Airport's total seats) serving 69 markets in FY 2025. **Figure 2-5** graphically depicts the growth of this segment of passenger traffic since FY 2014.

Figure 2-5 Seating Capacity for LCCs and ULCCs (FY 2014 – FY 2025)



Note: Spirit Airlines filed for Chapter 11 bankruptcy in August 2025, less than a year after its previous emergence from Chapter 11 bankruptcy in February 2025.

Source: Cirium, Diio Mi, Schedule – Dynamic Table, accessed August 2025.

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.

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 Charges (PFC) revenues, rental car Customer Facility Charges (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 2-5** presents the historical

enplaned passenger trends at the Airport from FY 2015 through FY 2025 and year-to-date FY 2026 with year-to-date FY 2025 as a comparison. **Figure 2-6** graphically depicts the historical enplaned passenger trend.

To further discuss the trends in enplaned passengers, the past 12 years has been segregated into certain time periods as discussed below:

- **FY 2015 – FY 2019:** From FY 2015 through FY 2019, Southwest, United, Delta, and American added a combined 2.8 million departing seats. While Southwest accounted for more than half of the added seats, all these major airlines saw significant growth over this period. FY 2016 saw the reintroduction of JetBlue Airways and the introduction of new carriers WestJet and Alaska Airlines to the Airport. Frontier Airlines more than doubled its seating capacity in FY 2017. In FY 2017, Contour Airlines began service at the Airport followed by British Airways and Allegiant in FY 2018 which contributed to significant increases in enplaned passengers at the Airport. Enplaned passengers increased by 161.8% from FY 2015 to FY 2019.
- **FY 2019 – FY 2021:** Beginning in March 2020, enplaned passengers at the Airport, along with airports nationally, 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. At the Airport, enplaned passengers declined by 40.1% from FY 2019 to FY 2021.
- **FY 2021 – FY 2025:** In FY 2022, the Airport not only recovered from impacts associated with the pandemic but exceeded its previous record with 9.2 million enplaned passengers in FY 2022, 7.2% higher than FY 2019. In FY 2023, every airline continued to grow at the Airport. However, in FY 2024, some airlines (JetBlue, Frontier, and Air Canada) experienced a slight decline in enplaned passengers but this was offset by the other carriers. In FY 2025, all of the LCCs and ULCCs at the Airport saw a slight decline while all of the network carriers continued to grow. In FY 2025, there were 12.4 million enplaned passengers at the Airport, approximately 98% of which were domestic. While international enplaned passengers account for approximately 2% of total enplaned passengers, international enplaned passengers increased approximately 30% from FY 2024 to FY 2025.
- **FY 2026:** Through November, enplaned passengers at the Airport were up 7.1% from the same period in FY 2025. However, scheduled departing seats through the first five months of FY 2026 were up 10.5%, resulting in a decline in load factors during that time.

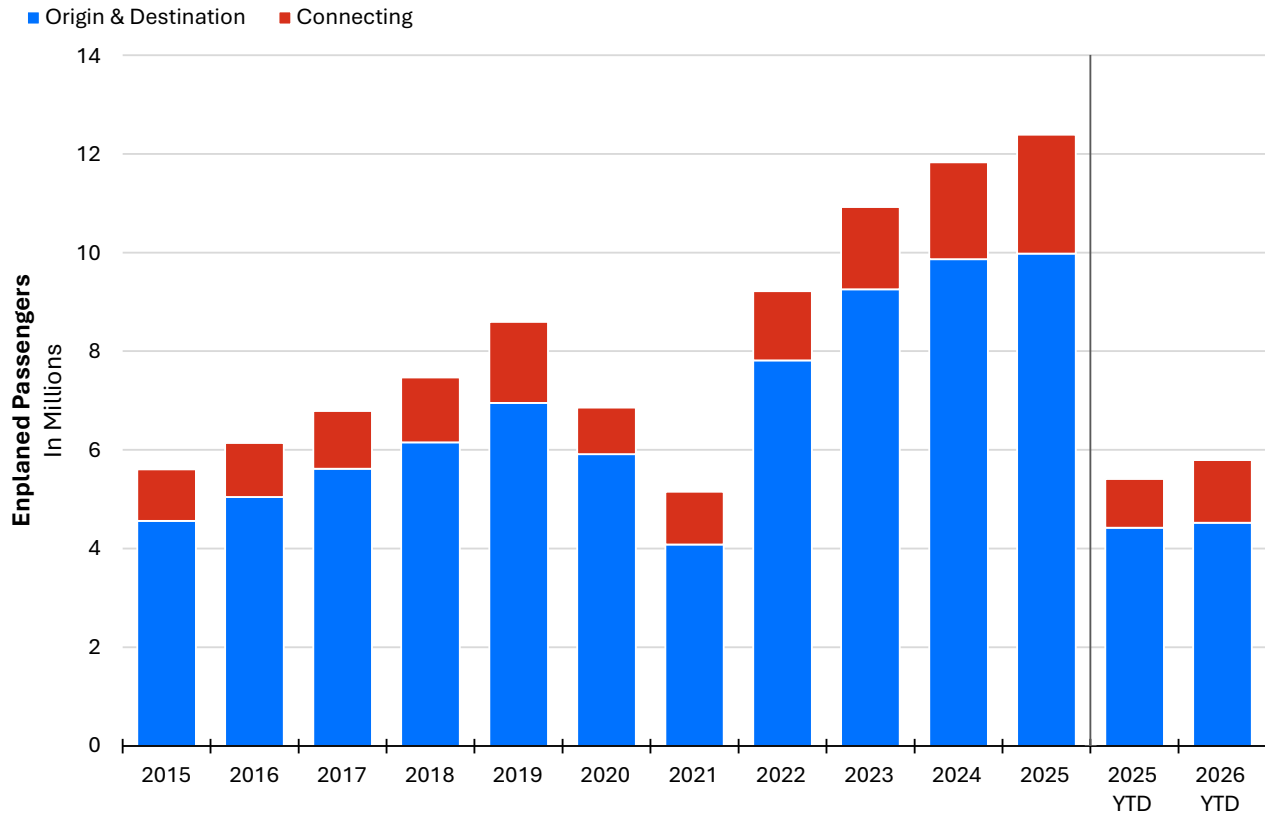
Table 2-5 Historical Enplaned Passengers (FY 2015 – FY 2026 through November)

Fiscal Year	Origin & Destination	Connecting	Total	Year-Over-Year Growth Rate
2015	4,562,238	1,041,910	5,604,148	5.5%
2016	5,044,163	1,096,929	6,141,092	9.6%
2017	5,617,042	1,173,057	6,790,099	10.6%
2018	6,154,523	1,311,809	7,466,332	10.0%
2019	6,953,983	1,642,324	8,596,307	15.1%
2020	5,914,305	944,090	6,858,395	-20.2%
2021	4,086,178	1,065,480	5,151,658	-24.9%
2022	7,812,956	1,404,754	9,217,710	78.9%
2023	9,257,487	1,662,412	10,919,899	18.5%
2024	9,864,265	1,961,939	11,826,204	8.3%
2025	9,978,656	2,406,722	12,385,378	4.7%
2025 YTD	4,424,026	988,825	5,412,851	
2026 YTD	4,522,374	1,273,444	5,795,818	7.1%
Range	Compound Annual Growth Rate			
2015-19	11.1%	12.0%	11.3%	
2019-25	7.5%	0.1%	6.3%	
2015-25	8.1%	8.7%	8.3%	

Note: Year-to-date is through November.

Source: Metropolitan Nashville Airport Authority Passenger Activity Reports, December 2025.

Figure 2-6 Historical Airport Enplaned Passengers (FY 2015 – FY 2026 through November)



Note: Year-to-date is through November.

Source: Metropolitan Nashville Airport Authority Passenger Activity Reports, December 2025.

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 the 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 particular 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 2-6** presents the aircraft operations at the Airport from FY 2015 through FY 2025 and year-to-date FY 2026 with year-to-date FY 2025 as a comparison. Commercial aircraft operations (passenger, cargo, and charter) are categorized as air carrier and air taxi. An air carrier operation is an operation with an aircraft with more than 60 seats or a maximum payload capacity of more than 18,000 pounds. An air taxi operation is an operation with an aircraft under those limits. General aviation (GA) operations are for non-commercial civilian purposes.

From FY 2015 through FY 2019, airlines opted to use larger aircraft where feasible. Small regional jets (aircraft with 50 or fewer seats) were retired at an accelerated rate. The average number of seats on departing aircraft at the Airport increased from an average of 112.8 seats in FY 2015 to 127.0 seats in FY 2019. However, the growth in enplaned passengers still resulted in significant growth in aircraft operations. The combined air carrier and air taxi aircraft operations, which is comprised of mostly passenger aircraft operations, increased at a CAGR of 6.8% from FY 2015 through FY 2019. From FY 2019 to FY 2020, commercial operations declined by 21.2%, compared to a decline in enplaned passenger of 40.1%. 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). Commercial aircraft operations fully recovered in FY 2022, along with the enplaned passengers, and have continued to increase behind the pace of enplaned passengers as airlines continue to opt for larger aircraft.

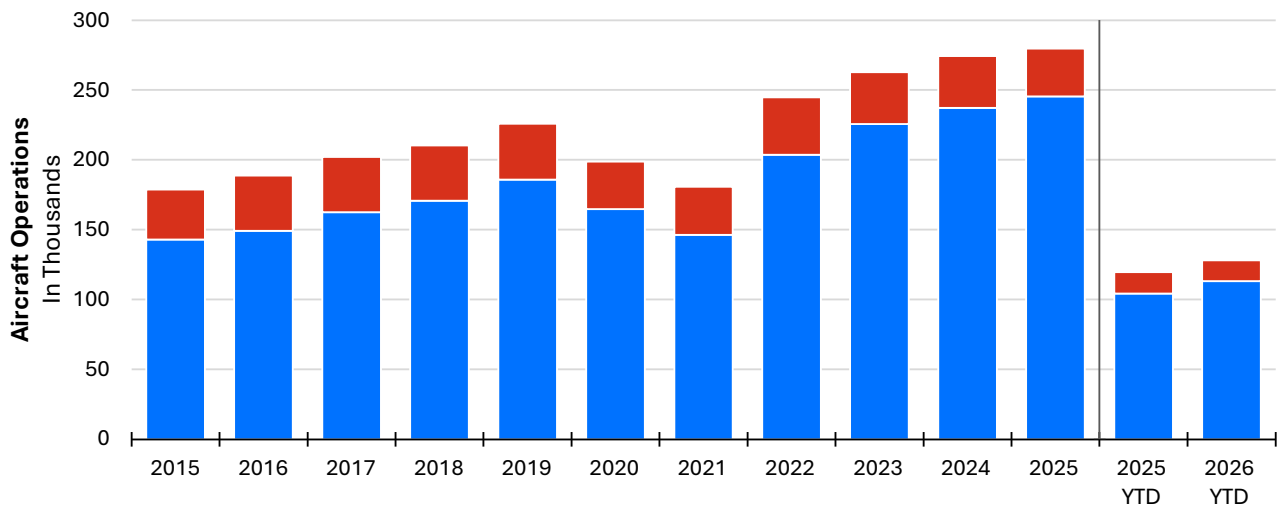
GA aircraft operations remained relatively steady from FY 2015 to FY 2019. GA decreased slightly during the onset of the COVID-19 pandemic but had a relatively high number of operations in FY 2022. GA have remained relatively consistent the last three years. Military operations make up a small number of operations at the Airport and vary from year-to-year. However, there has been an average of about 2,700 military aircraft operations since FY 2018.

Table 2-6 Historical Aircraft Operations (FY 2015 – FY 2026 through November)

Fiscal Year	Air Carrier	Air Taxi	General Aviation	Military	Total	Year-Over-Year Growth Rate
2015	105,709	37,261	32,861	2,901	178,732	1.9%
2016	115,769	33,338	35,428	4,219	188,754	5.6%
2017	128,859	33,598	35,402	4,225	202,084	7.1%
2018	140,280	30,530	36,424	3,123	210,357	4.1%
2019	155,894	29,963	37,258	2,697	225,812	7.3%
2020	141,597	23,097	31,126	2,902	198,722	-12.0%
2021	124,480	21,883	31,285	3,005	180,653	-9.1%
2022	174,827	28,698	38,416	2,681	244,622	35.4%
2023	194,883	30,717	34,747	2,436	262,783	7.4%
2024	207,066	30,183	34,353	2,733	274,335	4.4%
2025	216,359	28,959	32,041	2,318	279,677	1.9%
2025 YTD	91,378	12,839	14,493	932	119,642	
2026 YTD	100,745	12,456	13,974	926	128,101	7.1%

Range	Compound Annual Growth Rate				
2015-19	10.2%	-5.3%	3.2%	-1.8%	6.0%
2019-25	5.6%	-0.6%	-2.5%	-2.5%	3.6%
2015-25	7.4%	-2.5%	-0.3%	-2.2%	4.6%

■ Commercial ■ Non-Commercial



Note: Year-to-date is through November.

Source: Federal Aviation Administration, Operations Network (OPSNET).

2.2.3 Aircraft Landed Weight

Aircraft landed weight 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 Airfield (see Chapter 4 of this Report for additional information regarding airline rates and charges). 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 2-7** presents the landed weight at the Airport from FY 2015 through FY 2025.

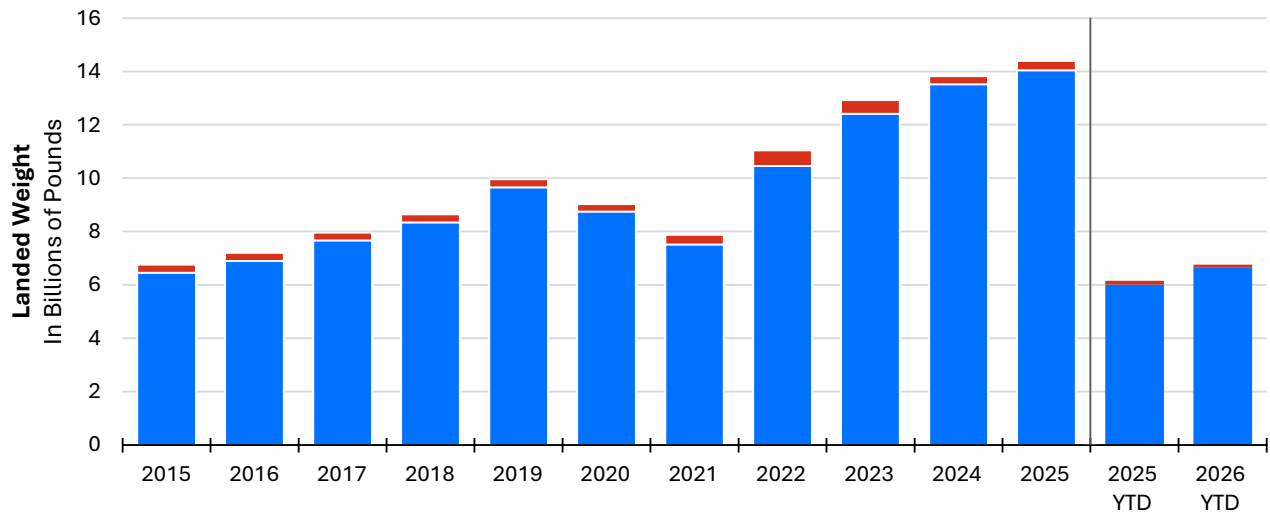
Aircraft landed weight at the Airport increased from 6.8 billion pounds in FY 2015 to 10.0 billion pounds in FY 2019, representing a CAGR of 10.2%. This growth was completely attributed to passenger airlines as it increased at a CAGR of 10.6% compared to a decrease of 0.3% per annum for other aircraft. Aircraft landed weight decreased by approximately 9.3% in FY 2020 and by 12.8% in FY 2021. However, in FY 2022, there was a significant growth in both passenger and other aircraft landed weight. In total landed weight increased by 40.3% in FY 2022. While passenger landed weight has continued to grow from FY 2022 to FY 2025 at a CAGR of 10.3%, identical to the enplaned passengers during that period, other aircraft landed weight has declined at an average rate of 15.2% per annum. A decline in all-cargo landed weight and aircraft operations over the past two years has been a national trend as the demand for e-commerce products declined following the end of the COVID-19 pandemic combined with a shift to ground shipping whenever possible by FedEx and UPS to reduce costs. In FY 2025, landed weight was 44.6% higher than in FY 2019.

Table 2-7 Historical Landed Weight (FY 2015 – FY 2026 through November)

Fiscal Year	Passenger	Cargo & Miscellaneous	Total	Year-Over-Year Growth Rate
2015	6,452,897	304,279	6,757,176	2.5%
2016	6,897,732	305,642	7,203,374	6.6%
2017	7,667,898	285,758	7,953,656	10.4%
2018	8,334,906	305,994	8,640,900	8.6%
2019	9,651,984	300,413	9,952,397	15.2%
2020	8,751,631	276,583	9,028,214	-9.3%
2021	7,515,129	354,109	7,869,238	-12.8%
2022	10,461,251	582,109	11,043,360	40.3%
2023	12,413,947	504,127	12,918,074	17.0%
2024	13,516,789	306,770	13,823,559	7.0%
2025	14,089,459	305,142	14,394,601	4.1%
2025 YTD	6,013,078	139,717	6,152,795	
2026 YTD	6,640,663	127,552	6,768,215	10.0%

Range	Compound Annual Growth Rate		
2015-19	10.6%	-0.3%	10.2%
2019-25	6.4%	2.8%	6.3%
2015-25	8.1%	1.6%	7.9%

■ Passenger ■ Cargo & Miscellaneous



Note: Year-to-date is through November.

Source: Metropolitan Nashville Airport Authority Passenger Activity Reports, December 2025.

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 Economic Conditions and Exogenous Events

Historically, the U.S. economy as measured by GDP has grown at a relatively steady rate, averaging 3.1% growth per annum between CY 1960 and CY 2019. The rate of growth has 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.

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 last more than a few months.⁴⁴

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. 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 2009.⁴⁵ 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 2009.⁴⁶

The outbreak of COVID-19 in early 2020 and declaration of a pandemic by the World Health Organization on March 11, 2020, coupled with the subsequent stay-at-home orders led to the disruption of economies around the world, resulting in dramatic increases in unemployment. According to the Bureau of Economic Analysis (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 a significant recovery in GDP in the third quarter of 2020, increasing 33.4%. The initial recovery was followed by five straight quarters of positive growth. In the second quarter of 2021, GDP exceeded the level experienced in the fourth quarter of 2019. Starting in the fourth quarter of 2021, there were contractions in GDP for each of the three consecutive quarters.

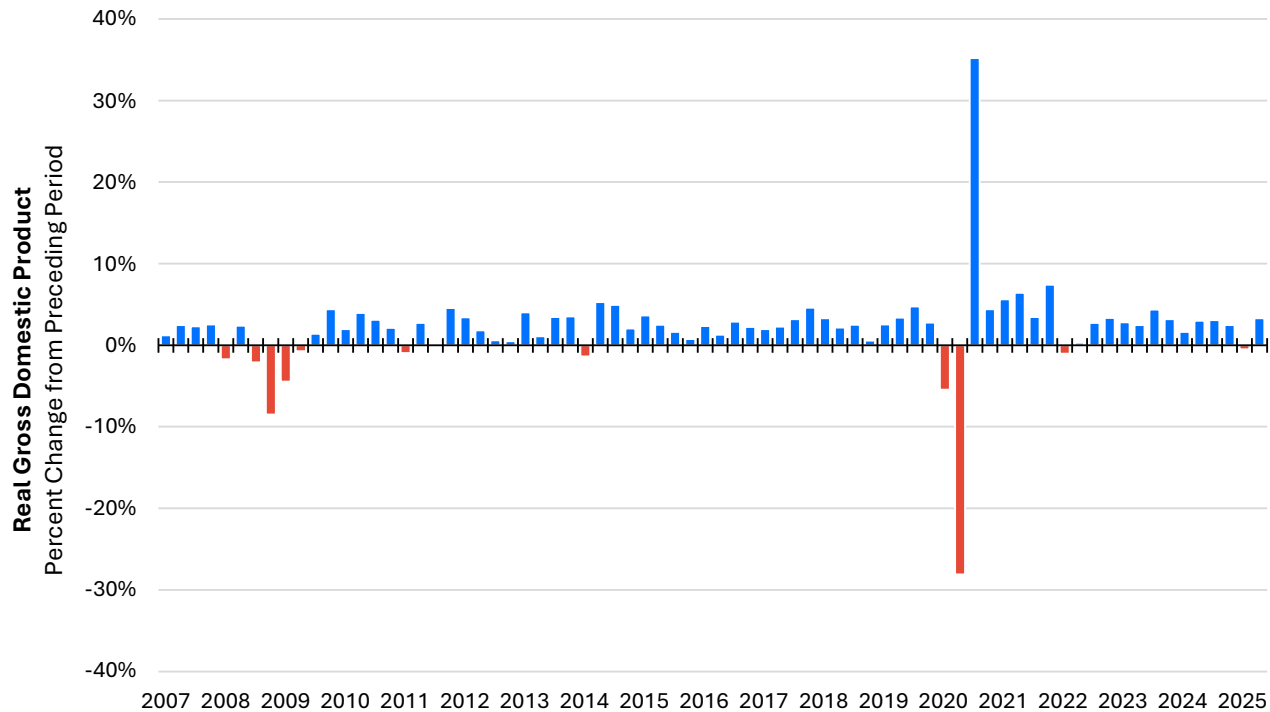
The third estimate for the second quarter of 2025 shows a growth in GDP of 3.8%, the 12th quarter of positive growth of the last 13 quarters. **Figure 2-7** depicts the quarterly change in GDP in order to provide a context of the magnitude of the impact the COVID-19 pandemic had on the U.S. economy and the subsequent recovery when compared to the Great Recession.

⁴⁴ National Bureau of Economic Research, Business Cycle Dating, accessed August 2022.

⁴⁵ National Bureau of Economic Research, U.S. Business Cycle Expansions and Contractions, September 20, 2010.

⁴⁶ Ibid.

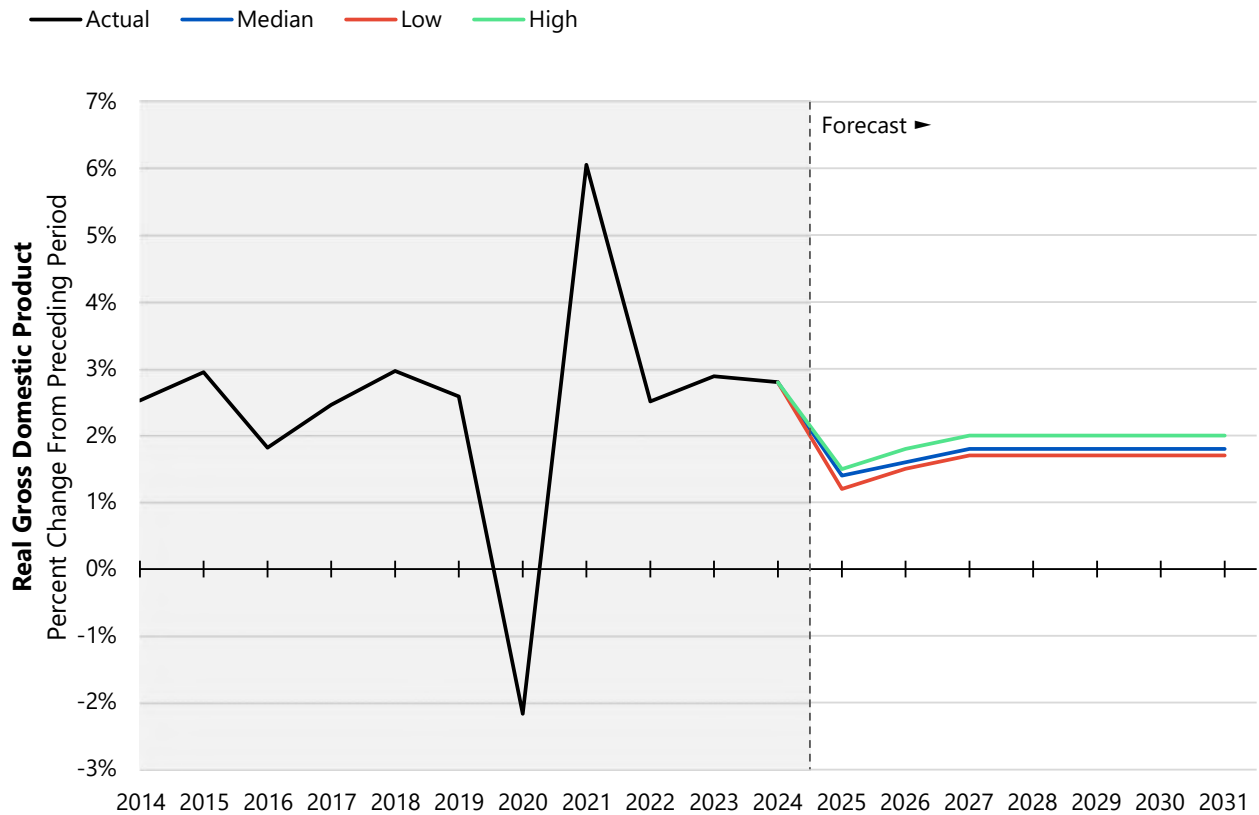
Figure 2-7 **Historical Gross Domestic Product (2007 Q1 – 2025 Q2: Second Estimate)**



Source: U.S. Bureau of Economic Analysis, National Income and Product Accounts, September 2025.

Figure 2-8 shows the historical real U.S. GDP growth from the BEA and growth forecasts for the U.S. between 2024 and 2031 from Federal Open Market Committee (FOMC), and the Office of Management and Budget (OMB). The FOMC forecast of GDP indicates slowing growth in 2025, and growth between 1.7% and 2.0% in the longer term.

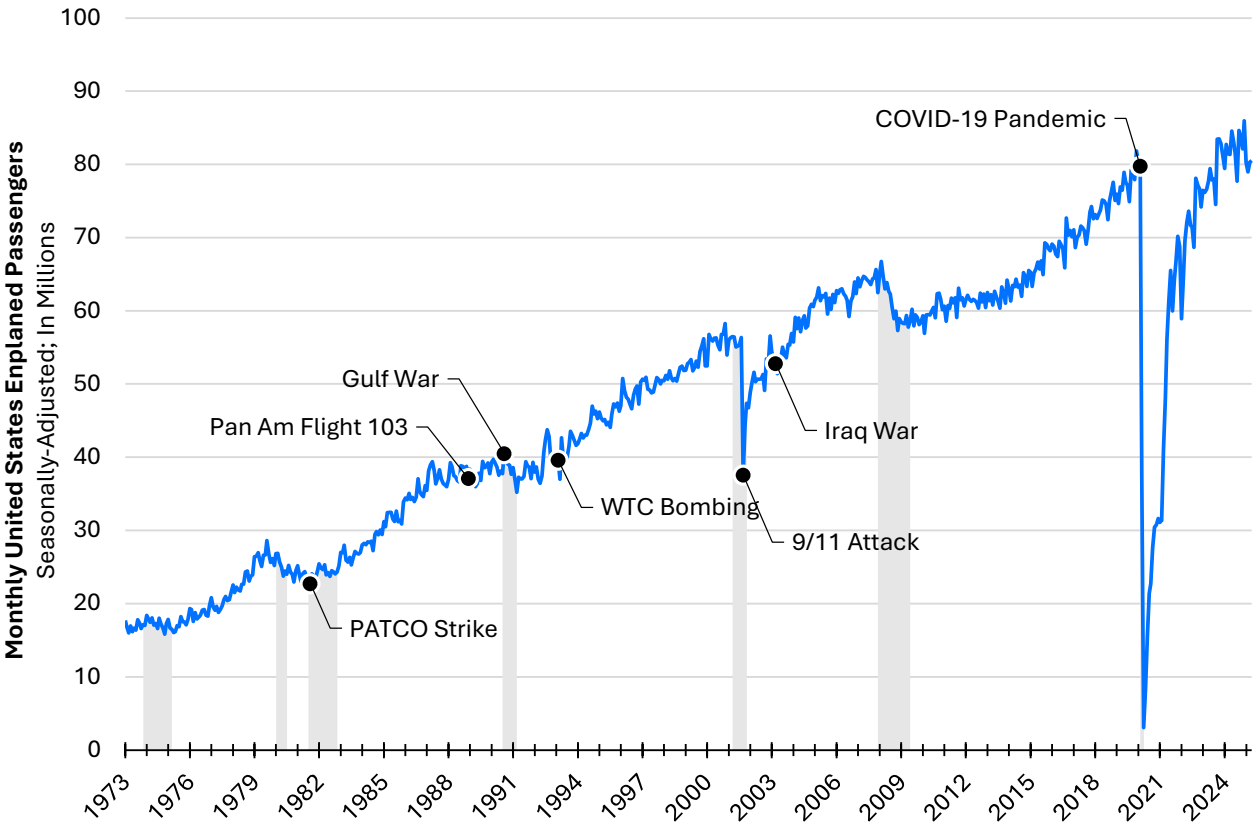
Figure 2-8 U.S. Real GDP Growth Forecasts (2025 – 2031)



Sources: Board of Governors of the Federal Reserve System, Federal Open Market Committee, Summary of Economic Projections, June 18, 2025.

Although the economy is a primary driver for air traffic, exogenous events can further exacerbate the impacts to air travel. For instance, the economic recession that occurred in 2001 had a direct impact on air travel, but its impact was compounded by the September 11, 2001 terrorist attacks. The negative impact of this event on the airline industry is well documented. More recently, the COVID-19 pandemic and subsequent government-imposed travel restrictions resulted in dramatic decreases in air traffic. **Figure 2-9** shows long-term enplaned passenger traffic growth in the U.S. During periods of economic contractions, there is a notable decline in enplaned passenger volumes, and during the subsequent economic expansions and recovery periods, there is significant growth in volumes. Exogenous shocks such as wars and 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 over this period. In general, U.S. enplaned passenger traffic has recovered back to 2019, or pre-pandemic, levels.

Figure 2-9 U.S. Aviation System Shocks and Recoveries (through May 2025)

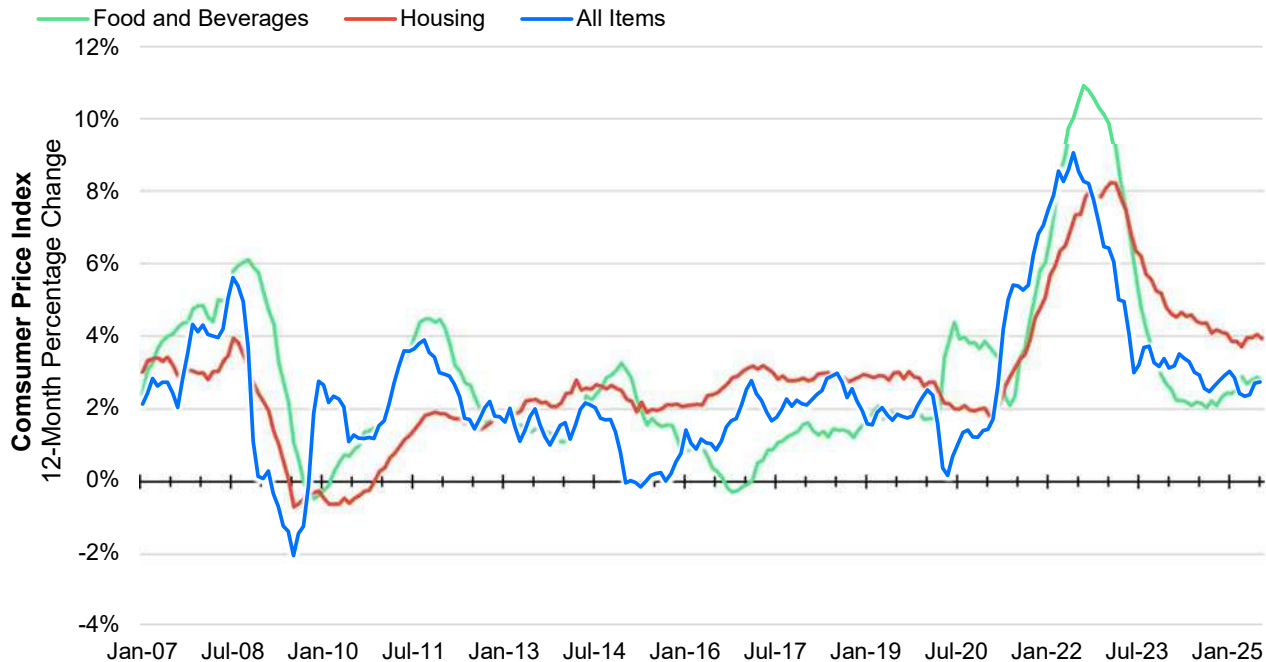


Note: Excludes non-revenue enplaned passengers.
Shading indicates an economic recession.

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.

Increases in prices can have a negative impact on air traffic, especially if prices increase 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 was continuing to recover from the recession associated with the COVID-19 pandemic. Historic government spending during the pandemic and global supply chain issues were among factors that contributed to increases in CPI. The average cost of goods and services began to climb at an accelerated rate in June 2021 with items like food, fuel, and housing being directly impacted. In June 2022, the CPI increased to 9.1% over June 2021. Since June 2022, the increase in CPI has slowed. In July 2025, the CPI increased by 2.7% over July 2024. **Figure 2-10** graphically depicts how CPI in the U.S. has changed since January 2007.

Figure 2-10 Consumer Price Index (January 2007 – July 2025)



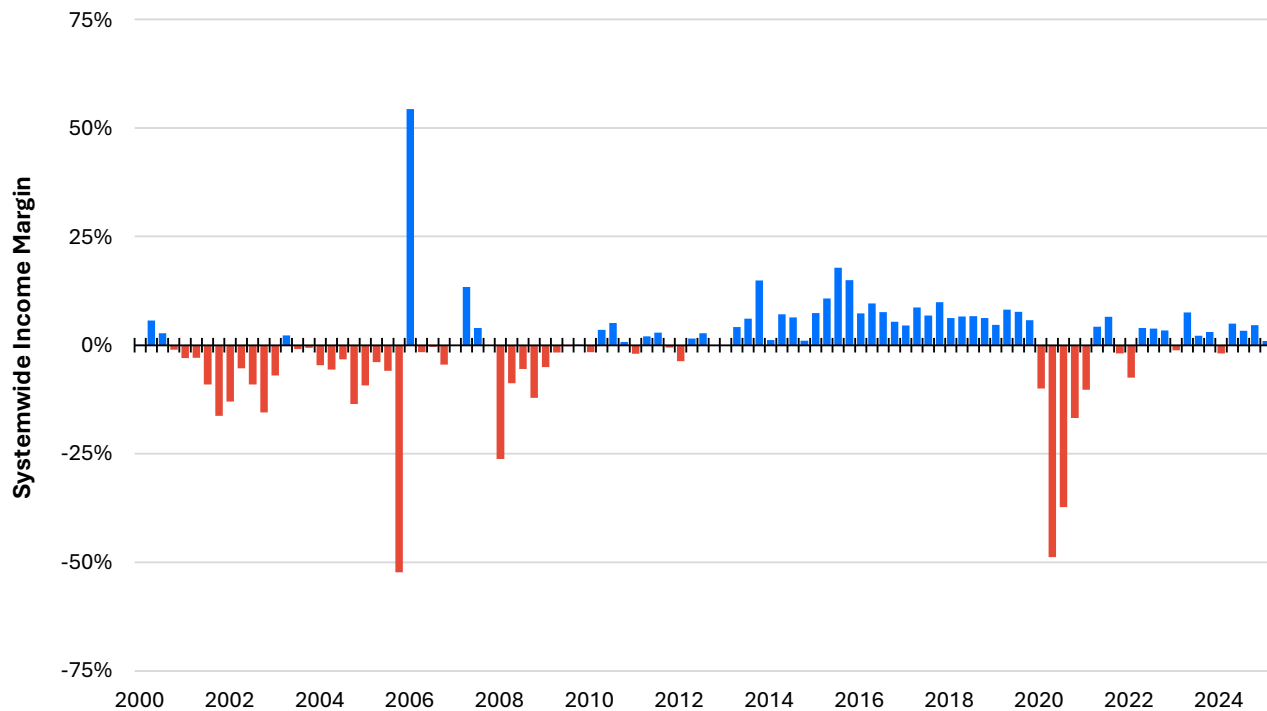
Source: United States Bureau of Labor Statistics, Consumer Price Index (CPI) Databases.

2.3.2 The U.S. Airline Industry

2.3.2.1 Airline Profitability

Airlines generally design route networks based on profitability and connectivity (primarily for network carriers). When profitability becomes compromised, an airline will, generally, review profitability by route and could act by increasing service on profitable routes and/or by reducing or eliminating unprofitable routes from their network. **Figure 2-11** provides the systemwide income margin for U.S. carriers since the first quarter of 2000. Triggered initially by the economic recession and compounded by the September 11 terrorist attacks, airlines had 20 out of 22 straight quarters with negative income margins beginning in the fourth quarter of 2000. During this period, several airlines filed for bankruptcy protection, most notably Trans World Airlines, US Airways, United Airlines, Northwest Airlines, and Delta Air Lines. These difficult financial times for U.S. airlines resulted in some industry contraction as several mergers took place. This is discussed in more detail in the next section.

Figure 2-11 Systemwide Income Margin for U.S. Carriers (2000 Q1 – 2025 Q1)



Source: Bureau of Transportation Statistics, Net Income: All U.S. Carriers - All Regions.

The Great Recession also had a significant impact on the airline industry. In response, U.S. airlines decreased capacity, particularly in shorter-haul markets with smaller, shorter-range aircraft types in CY 2008 and CY 2009. This generally resulted in significant improvements to airline yields, RASM, and profitability. In the years prior to the COVID-19 pandemic, the U.S. airline industry was at its most stable, profitable point over this period. According to the Bureau of Transportation Statistics (BTS), the 23 U.S. scheduled passenger airlines, at that time, reported a pre-tax net operating profit of \$15.8 billion in CY 2019, which was a 19.7% increase from CY 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 CY 2019, which was up from 6.3% in CY 2018.⁴⁷ Profitability during this period can also be attributed to the airlines unbundling services and increasing the use of ancillary fees such as charges for checked baggage.

⁴⁷ Bureau of Transportation Statistics, 2019 Annual and 4th Quarter U.S. Airline Financial Data.

As a result of the impacts associated with the COVID-19 pandemic, U.S. airlines incurred record losses in CY 2020 and into CY 2021. The U.S. DOT has reported that U.S. scheduled passenger airlines reported four straight quarters of after-tax net losses beginning in the second quarter of 2020. To help support U.S. air carriers during this period, in March 2020, the U.S. Congress passed by unanimous vote the Coronavirus Aid, Relief, and Economic Security (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. 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. On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) was signed and provided \$2 billion in economic relief to airports. The American Rescue Plan Act of 2021 extended assistance to passenger air carriers and contractors that received financial assistance under PSP2 for an additional \$14 billion and \$1 billion respectively. From 2022 Q2 through 2024 Q3, there has only been two quarters (2023 Q1 and 2024 Q1) with a negative operating margin for the U.S. carriers. In the first quarter of 2025, U.S. carriers posted a 1.0% systemwide operating margin.

2.3.2.2 *Evolution of the U.S. Airline Industry*

Over the past two decades, the U.S. airline industry has undergone a significant transformation. The consolidation of the U.S. airline industry between CY 2000 and CY 2015 was driven by a combination of economic pressures, structural challenges, and regulatory shifts. The U.S. airline industry, cumulatively, experienced losses of approximately \$54 billion from CY 2000 through CY 2009 on domestic operations.⁴⁸ These losses were exacerbated by exogenous shocks such as the September 11 terrorist attacks, the Great Recession, and dramatic spikes in jet fuel prices, particularly oil prices spiking to nearly \$150 per barrel in CY 2008. During this period, the industry faced intense fare competition from excess capacity, resulting in yield erosion. Yields adjusted for inflation had dropped by approximately 70%. Many airlines filed for Chapter 11 bankruptcy protection and some ceased operations altogether. 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. Meanwhile, the regulatory environment evolved, with federal antitrust adopting a more flexible stance toward mergers. As a result, the U.S. airline industry entered a period of rapid consolidation. In CY 2000, the four largest airlines (Delta, American Airlines, United Airlines, and Southwest Airlines), also known as the “Big Four”, accounted for 57.6% of the domestic seating capacity. These airlines consolidated with seven other airlines from CY 2000 to CY 2015. In CY 2015, the Big Four accounted for 81.8% of the domestic seating capacity.

During this period of consolidation, the major carriers went through a significant evolution in their business models. These carriers shifted from purely market share growth to focusing on profitability, network optimization, and revenue diversification. Investment in premium products, loyalty programs, and international connectivity became central to their strategies. Meanwhile, the growth of LCCs and ULCCs introduced new dynamics into the market. These carriers used a combination of low base fares, supplemented with ancillary revenue, and aggressive point-to-point strategies to appeal to leisure

⁴⁸ National Bureau of Economic Research, The Persistent Financial Losses of U.S. Airlines, July 2011.

passengers. This strategy has not only helped to grow the industry by providing a more affordable option for vacationers, but these airlines have also captured significant market share. In CY 2000, the LCCs and ULCCs only accounted for 1.3% of the domestic capacity but steadily increased by 0.5% per annum to CY 2015 where they account for 9.8%. However, growth for these airlines has accelerated and in CY 2024, the LCCs and ULCCs combined for 14.8% of the domestic capacity.

It is expected that airlines will continue to enter into code-share agreements in attempts to seek competitive advantages. In May 2025, JetBlue Airways and United Airlines announced the formation of the “Blue Sky” partnership. The partnership between the airlines will allow passengers to earn and redeem miles by either airline; allow for reciprocal benefits such as priority boarding, free check bags, and same-day flight changes; and allow for flights from both airlines to be booked on each other’s websites and mobile apps. However, the airlines will continue to operate independently, managing their own pricing scheduling, and route planning. Elements of the “Blue Sky” partnership are expected to begin as early as fall 2025, with full implementation by 2027, subject to regulatory approval.

On December 2, 2023, Alaska Air Group announced it was planning to buy Hawaiian Airlines. The merged company would operate independently but combine its operating platforms. The shareholders of Hawaiian Airlines voted to approve the merger deal in February 2024. In August 2024, the U.S. Department of Justice opted to not challenge the merger from an antitrust standpoint. In September 2024, Alaska Airlines completed the acquisition of Hawaiian Airlines after the U.S. Department of Transportation approved the merger. In CY 2024, Alaska Airlines and Hawaiian Airlines combined to account for 6.2% of the domestic capacity.

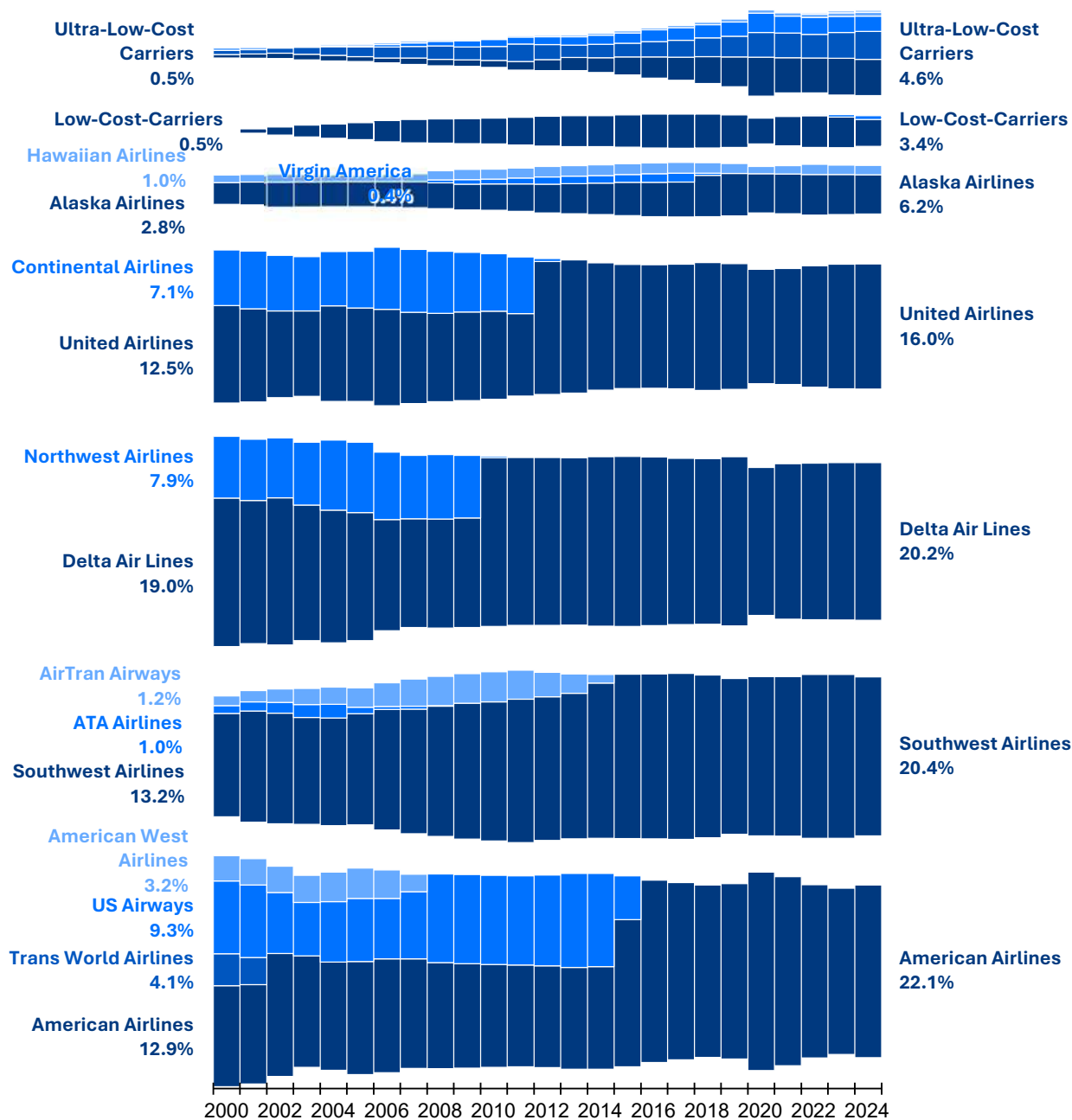
Southwest Airlines is currently going through an evolution into an airline that more closely resembles a traditional network carrier, as detailed in Section 2.1.5. It is unclear what the full impact the evolution of the airline will have on the Airport.

Spirit Airlines filed for Chapter 11 bankruptcy protection in November 2024. The airline emerged from bankruptcy in February 2025 after approval of its reorganization plan. Post-emergence, the airline undertook significant operational restructuring, including a reduction in capacity. Despite the restructuring, Spirit Airlines continued to report losses including a \$245.8 million net loss in the 2025 Q2. Spirit Airlines filed for Chapter 11 bankruptcy again in August 2025, less than a year after its previous emergence. In October 2025, Spirit Airlines announced that it expects to report losses until 2027. The airline cut service to 12 U.S. cities starting the week of October 2, 2025 and plans to further reduce its airline capacity by 20% in 2026. Spirit Airlines is planning a dramatic reduction of aircraft of almost 100 aircraft and will reject its commitment to buy 52 Airbus aircraft. The airline has already furloughed about 330 pilots in 2025 and expects to furlough another 270 in November 2025. Spirit Airlines plans to furlough approximately 1,800 flight attendants effective December 1, 2025.⁴⁹

Figure 2-12 provides a graphical representation of the major U.S. airline mergers and consolidation during this period and the growth of the LCC and ULCC airlines.

⁴⁹ Reuters, Spirit Airlines projects profit return in 2027 after restructuring, October 14, 2025.

Figure 2-12 U.S. Airline Consolidation – Systemwide Seating Capacity



Note: LCCs include JetBlue Airways and Breeze Airways.
ULCCs include Spirit Airlines, Frontier Airlines, Allegiant Air, Sun Country Airlines, and Avelo Airlines.

Source: US DOT Reports DB1A; US DOT T100 Report, accessed via Cirium, Diio Mi.

2.3.2.3 Aircraft and Personnel Shortages

Airlines parked and decommissioned aircraft during the pandemic as demand declined but subsequently struggled with capacity to meet the demand as air travel returned to CY 2019 levels. While there has been softening in some markets, particularly in domestic, low-fare leisure travel, there are still demands that are being impacted by shortages, particularly long-haul and international markets. Supply chain issues and staffing shortages resulted in a significant slowdown in the production of new aircraft. In CY 2019, Boeing delivered 380 aircraft which fell to 157 in CY 2020. Boeing was able to return to pre-pandemic delivery levels in CY 2022 but is still behind in deliveries. In CY 2023, Boeing delivered 528 aircraft, representing an increase of 1% from CY 2022. In CY 2023, Boeing met its target of 375 Boeing 737 jets with 396 and its target of 70-80 deliveries of the Boeing 787 with 73.⁵⁰ On September 13, 2024, around 33,000 Boeing workers went on strike demanding a 40% wage increase over four years. The strike halted production of the 737 Max, 767, and 777 aircraft. The strike ended on November 5, 2024 when workers accepted a new contract. Boeing also announced in October 2024 that it would lay off 10% of its workforce in the coming months, which will further delay the delivery of the 777 aircraft. Layoffs notices were issued beginning in November 2024 and continued throughout 2025. After an incident in January 2024, the FAA imposed a cap on Boeing production of the 737 Max family at 38 aircraft per month. In CY 2024, Boeing delivered 348 aircraft, the lowest since the beginning of the COVID-19 pandemic. In early 2025, Boeing reportedly reduced its production target from 38 to about 31 737 Max aircraft due to delays in fitting and complete wing systems. Boeing hopes to reach a target of 42 737 Max aircraft per month by late 2025. In CY 2019, Airbus delivered 863 aircraft which decreased to 566 in CY 2020. In CY 2022, Airbus delivered 661 aircraft. In CY 2023, Airbus delivered 735 units, beating its target of 720.⁵¹ Airbus delivered 766 aircraft in CY 2024, slightly below its target of 800. The Pratt & Whitney geared turbofan (GTF) that powers many of the Airbus 320neos has been found to have premature wear and cracking, due to a defect in the metal used in manufacturing. It is estimated that over 3,000 engines worldwide are affected and need inspections over the next couple of years, forcing airlines to ground planes. Engines produced post-2023 have been made with the corrected process.

At the onset of the COVID-19 pandemic, airlines were faced with a surplus of personnel resulting from the sudden and dramatic decline in air traffic. As a result, airlines offered their employees buyouts and early retirement packages. In total, it is estimated that approximately 10% of commercial pilots took early retirement during the pandemic.⁵²

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 increased more rapidly and recovered beyond CY 2019 levels. 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 amplified during peak travel periods throughout the year. 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

⁵⁰ Simple Flying, Boeing Delivered 528 Planes in 2023, January 10, 2024.

⁵¹ Airbus, Airbus Reports Strong 2023 Commercial Aircraft Orders and Deliveries in Complex Operating Environment, January 11, 2024.

⁵² CNN, A shortage of pilots could keep the airlines from making a real comeback.

had to scale back, or in some cases eliminate service, to smaller markets including some subsidized through the FAA's Essential Air Service Program.

To address the ongoing pilot shortage, airlines are implementing several solutions including recruiting students with little to no flight time into training schools, tuition assistance and scholarships, and expanding simulator and instructor capacity. Additionally, carriers are increasing pilot compensation, improving work-life balance, and exploring international recruitment to widen the talent pool.

If the pilot shortage becomes 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.

2.3.3 Aviation Fuel

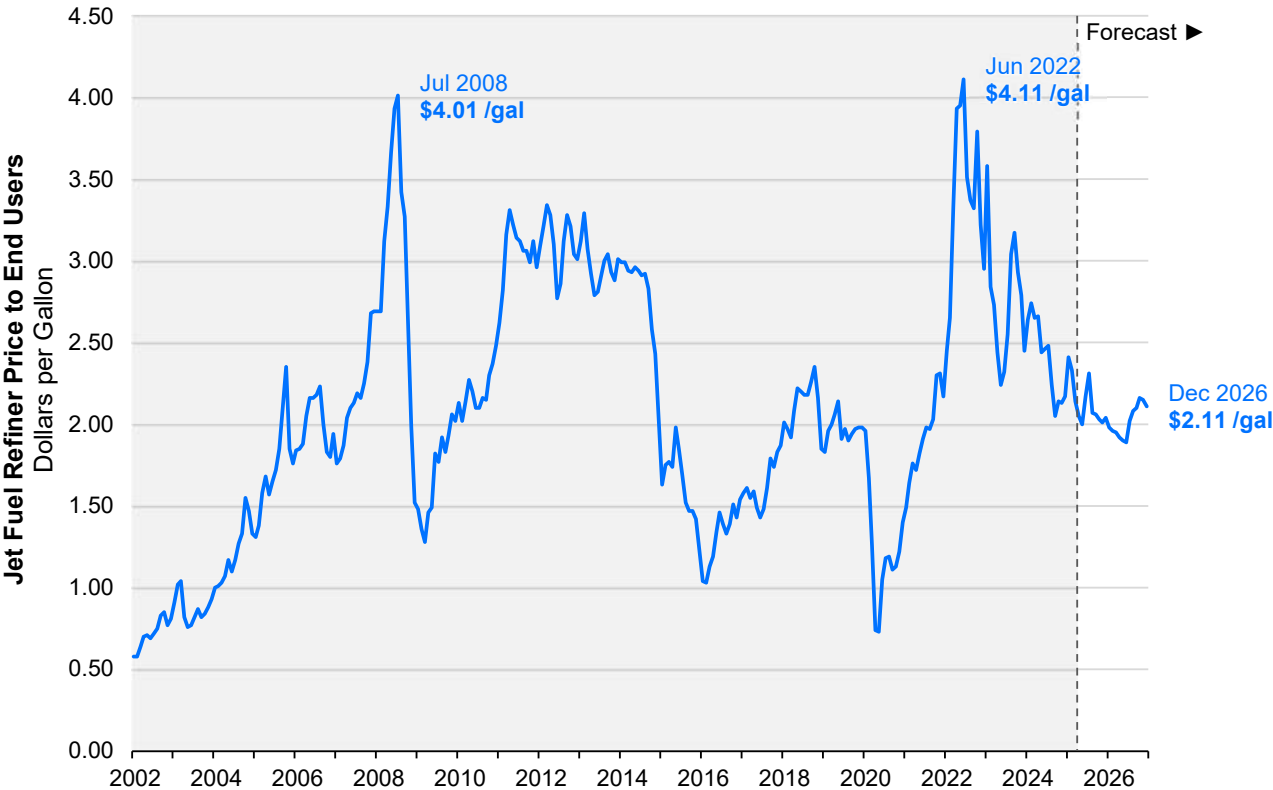
The price of oil and the associated cost of jet fuel has historically been one of the largest operating costs affecting the airline industry. As of the first quarter of 2024, fuel costs represented 19.5% of U.S. passenger airline operating expenses.⁵³ In 2000, jet fuel sold to end users averaged \$0.89 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 significantly to \$92 per barrel in February 2022. Following the start of the war between 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. After such time, prices steadily declined through June 2023 before a slow climb through September 2023 where prices were at approximately \$89 per barrel. Energy disruptions leading to price increases have been occurring since the start of the Ukraine war with Russia.

⁵³ Airlines for America, A4A Passenger Airline Cost Index, <https://www.airlines.org/dataset/a4a-quarterly-passenger-airline-cost-index-u-s-passenger-airlines/>

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. These prices are reported in cents per gallon as opposed to per barrel. In the August 2025 release, the EIA forecasts that jet fuel prices will be \$2.11 per gallon by December 2026. **Figure 2-13** presents the historical price for jet fuel refiner price to end users and the EIA’s forecast of that price.

Figure 2-13 Jet Fuel Prices (January 2002 – December 2026)



Source: U.S. Energy Information Administration, Short-Term Energy Outlook (August 2025).

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 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 to remain profitable. Currently, alternative fuels are not yet commercially cost effective.

2.3.4 Aviation Security and Safety

Since 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, passenger 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, additional intelligence in identifying high-risk passengers and new programs for flight crews. Aviation security is controlled by the federal government through the Department of Homeland Security and the Transportation Security Administration (TSA).

Although terrorist event 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 relatively quickly. 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.

The Boeing 737 Max aircraft was originally grounded worldwide in March 2019 after two fatal crashes in less than five months. It was determined that the crashes were due to faulty aircraft design. In August 2020, the FAA published requirements for fixing the aircraft and subsequently lifting the grounding in November 2020. In January 2024, Boeing 737 Max 9 aircraft were temporarily grounded following an incident where a panel in an aircraft fuselage blew out in-flight. An investigation found that bolts meant to hold the panel in place had not been installed. Following inspections, the aircraft type was returned to service. However, there have been several other incidents including an inflight Dutch Roll, sudden drops in altitude, and flights at low altitude. In September 2024, the FAA issued urgent safety recommendations about the risk of a rudder malfunction which is in the process of being replaced. To date, these safety issues have resulted in a slowdown in manufacturing; however, should these issues continue, they could have more of an impact on supply and/or demand.

On July 19, 2024, a global IT outage triggered by a software update from CrowdStrike, a cybersecurity firm that provides cloud-based protection, caused widespread disruptions across critical airline operations. The incident led to the grounding of thousands of flights. The event has prompted increased regulatory scrutiny and a renewed industry-wide focus on IT resilience and contingency planning.

2.3.5 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 future 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.

In FY 2024, the FAA had 14,264 certified air traffic controllers.⁵⁴ Based on the FAA Air Traffic Controller Workforce Plan, 99.0% of all U.S. airport towers and all en route centers are below the Collaborative Resource Workgroup's targets of fully-trained controllers.⁵⁵ Current projections based on attrition show that 15.9% of airport towers and 11.7% of en route centers are expected to meet the targets by 2027. However, a continued shortfall could result in future delays and a decreased capacity of air traffic. The FAA is working to accelerate throughput in its academy including expanding training capacity, reducing failure rates, and partnering with colleges to broaden the pipeline. Although the recent federal government shutdown has ended, air travel will likely take weeks to recover. This is due in large part to a surge in retirements and callouts among air traffic controllers that occurred during the shutdown. The FAA reported that the number of controllers retiring per day jumped from 4 to as many as 15-20 during the funding lapse. The controller workforce will take months, if not years, to recover. The FAA had already instituted traffic-flow reductions of 10% across high-volume airports in order to maintain safe operations. Some restrictions and operational delays are likely to remain in place indefinitely until acceptable staffing levels are restored.

2.3.6 Environmental and Sustainability-Driven Shifts

Environmental regulations and related public policy could potentially have an increasing influence on airline operations and long-term air traffic demand. Globally, aviation stakeholders are responding to evolving requirements around greenhouse gas (GHG) emissions, with frameworks such as the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), sustainable aviation fuel (SAF) mandates, and regional carbon pricing mechanisms beginning to shape carrier network and fleet decisions. In the U.S., while regulation has thus far remained less stringent than in the European Union, pressure from investors, regulators, and the public has prompted airlines and airports alike to adopt sustainability objectives.

These developments could result in changes to fare structures, particularly on shorter-haul routes, where modal competition and the potential for policy disincentives could have an impact on demand elasticity. Airports that proactively pursued sustainability measures, such as energy-efficient infrastructure, zero-emission ground service equipment, and LEED-certified terminal development, may be better positioned to accommodate environmental compliance expectations and maintain community and airline support over the long term.

2.3.7 Telework Trends, Business Travel, and Hybrid Workforce Dynamics

The rise of remote and hybrid work models has produced a structural shift in U.S. air travel behavior. According to the U.S. Census Bureau's 2023 American Community Survey, approximately 13.8% of employed adults in the U.S. work remotely at least part of the time, with higher concentrations in white-

⁵⁴ Federal Aviation Administration, Air Traffic Controller Workforce Plan: 2025-2028, ,

⁵⁵ Collaborative Resource Workgroup is a collaboration between the FAA Air Traffic Organization and the National Air Traffic Controllers Association (NATCA), the labor union representing the controller workforce.

collar employment hubs and major metropolitan areas.⁵⁶ The result has been a flattening of traditional business travel peaks, particularly midweek, and an increasing reliance on O&D demand versus connecting itineraries.

While remote work has contributed to a reduction in weekday short-haul business travel, it has also facilitated the emergence of blended-purpose travel, often referred to as “bleisure.” In this model, passengers combine business obligations with personal leisure time, either extending trip length or choosing more flexible travel windows. This shift supports greater demand elasticity and enables carriers to fill seats outside of legacy peak periods.

At a national level, business travel volumes remain below pre-pandemic levels. The U.S. Travel Association estimates that domestic business travel spending in CY 2024 was 8-10% below CY 2019 levels. Large corporations have continued to adopt virtual conferencing, reduce internal travel budgets, and reframe expectations for in-person engagement. However, small- and mid-sized firms have generally resumed travel activity more quickly.

Airports and airlines have adapted by:

- Adjusting schedules toward leisure-oriented peak days (Thursday through Monday).
- Offering more fare flexibility to accommodate remote workers' longer average trip durations.
- Investing in terminal amenities that support productivity, such as quiet zones, coworking spaces, and reliable high-speed Wi-Fi.

These trends are expected to persist over FY 2026 through FY 2032 (Projection Period), especially in the nearer term, influencing route economics, and aircraft size decisions.

2.4 Air Traffic Activity Projections

This section presents the air traffic activity projections including the key assumptions used to develop those projections. 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 which will be beyond the control of L&B. 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.

⁵⁶ U.S. Census Bureau, *American Community Survey: Mode of Work – 2023 1-Year Estimates*. Accessed March 2025

2.4.1 Assumptions

Projections of air traffic activity were developed based on an analysis of the underlying economic conditions of the ASA, 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 projections including the following:

- The airlines will continue to add aircraft capacity that is, generally, consistent with future demand.
- Long-term nationwide growth in air travel will occur over the Projection Period consistent with forecast growth in the economy.
- Southwest will continue to operate the Airport as a focus city. It is assumed that connecting passenger traffic will maintain its share of total enplaned passengers over the Projection Period.
- Spirit's current financial situation could potentially have some short-term impacts to air traffic at the Airport; however, is assumed to have no impact on long-term demand as it serves O&D passengers.
- The domestic network airlines serving the Airport will continue to provide air service to support local long-term demand primarily to and from their hub airports, key focus cities, and larger O&D markets.
- There will be no major disruption of airline service or airline travel behavior nationally or at the Airport over the Projection Period.

2.4.2 Enplaned Passengers Projection

2.4.2.1 Short-Term Projection

Through the first five months of FY 2026, enplaned passengers were up 7.1% as compared to the same months in FY 2025. During the same time, departing seats at the Airport were up 10.5% in FY 2026 when compared to FY 2025, resulting in some softening of load factors. Based on published flight schedules for the remainder of FY 2026, airlines are expected to continue to add capacity at the Airport. If current trends continue, there would be continued growth in enplaned passengers in FY 2026. However, while these trends are positive, there are also several potential factors that could result in muted growth in the short-term for FY 2026, which could be occurring as suggested by the decreases in load factors over the first four months of FY 2026. Such key shorter-term factors include the reliability of published airline schedules for the remainder of FY 2026; potential schedule impacts related to Spirit Airline's financial viability; supply-side issues related to aircraft, pilots, and air traffic controllers; and impacts from the recent federal government shutdown, or future governments shutdowns, that have or could lead to further staffing issues for the TSA and FAA. These factors and issues contribute to ongoing uncertainty in the short-term or over the remainder of FY 2026.

The Authority's current budget is for approximately 12.5 million enplaned passengers in FY 2026. While current data regarding year-to-date traffic and currently published schedules suggest that enplaned passengers could exceed this budget estimate, there is ongoing uncertainty and factors, as described

above, that could impact short-term passenger demand. Therefore, for financial feasibility purposes, the Authority's FY 2026 budget was adopted for use in the air traffic projections contained in this Report that serve as the basis for the financial analysis presented in Chapter 4.

2.4.2.2 Long-Term Projection

A number of standard industry forecasting techniques were considered in order to project long-term enplaned passengers, such as econometric regression modeling, trend analysis, market share, and time series. L&B has determined that econometric regression models serve as the most appropriate to project domestic O&D and international 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 variable, enplaned passengers. In order for an econometric model to be considered appropriate, the following must be true:

- 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.
- The analysis does not result in theoretical contradictions (e.g., the model indicates that GDP growth is negatively correlated with traffic growth).
- The results are not overly aggressive or conservative or are incompatible with historical averages.

Through the testing of multiple sets of independent variables, a multivariate linear model was selected to project enplaned passengers at the Airport. The selected model for domestic O&D enplaned passengers uses historical domestic O&D enplaned passengers for the independent variable and the ASA's PCPI and two dummy variables⁵⁷ for the COVID-19 pandemic. 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 2032.

Based on models and the set of assumptions detailed above, annual enplaned passengers are projected to increase 3.3% per annum from FY 2026 through FY 2032, from 12.4 million in FY 2025 to 15.2 million in FY 2032.

⁵⁷

Dummy variables are used in place of the presence categorical variables that have an impact on the independent variable (enplaned passengers) that are beyond the expected determined by the dependent variable (PCPI). In this case, two dummy variables were used. The first dummy was for the first year of impact from COVID-19 which resulted in a decline in enplaned passengers beyond what would be normally explained by the decline in PCPI. The second dummy variable was for the second year of COVID-19 when enplaned passengers recovered partially.

2.4.3 Aircraft Landed Weight Projection

An estimate for passenger landed weight in FY 2026 was developed using year-to-date values. For passenger airlines, the estimate utilizes the estimate of enplaned passengers in conjunction with the year-to-date landed weights, resulting in an estimated 14.8 million 1000-pound units, an increase of 5.7% over FY 2025. The Authority budgeted 14.7 million 1000-pound units for FY 2026 which adopted for this analysis as it represents a conservative estimate. Beyond FY 2026, passenger airline landed weights were estimated based on assumptions regarding future aircraft load factors and aircraft capacity, both of which are assumed to increase over the Projection Period.

2.4.4 Activity Summary

Table 2-8 provides the historical Airport air traffic from FY 2019 through FY 2025 and projected Airport air traffic from FY 2026 through FY 2032 used for the financial analysis provided in this Report.

Table 2-8 Historical and Projected Air Traffic Summary (FY 2019 – FY 2032)

Fiscal Year	Enplaned Passengers		Landed Weight (in million-pound units)	
	Passengers (in thousands)	Year-Over-Year Growth	Total	Year-Over-Year Growth
FY 2019 Actual	8,596	15.1%	9,952	15.2%
FY 2020 Actual	6,858	-20.2%	9,028	-9.3%
FY 2021 Actual	5,152	-24.9%	7,869	-12.8%
FY 2022 Actual	9,218	78.9%	11,043	40.3%
FY 2023 Actual	10,920	18.5%	12,918	17.0%
FY 2024 Actual	11,826	8.3%	13,824	7.0%
FY 2025 Actual	12,385	4.7%	14,395	4.1%
FY 2026 Budget	12,509	1.0%	14,701	2.1%
FY 2027	12,949	3.5%	14,965	1.8%
FY 2028	13,394	3.4%	15,225	1.7%
FY 2029	13,844	3.4%	15,484	1.7%
FY 2030	14,299	3.3%	15,742	1.7%
FY 2031	14,760	3.2%	15,998	1.6%
FY 2032	15,231	3.2%	16,256	1.6%
Range		Average Annual Growth Rate		
FY 2019-25	6.3%	6.3%		
FY 2025-32	3.0%	1.8%		
FY 2026-32	3.3%	1.7%		

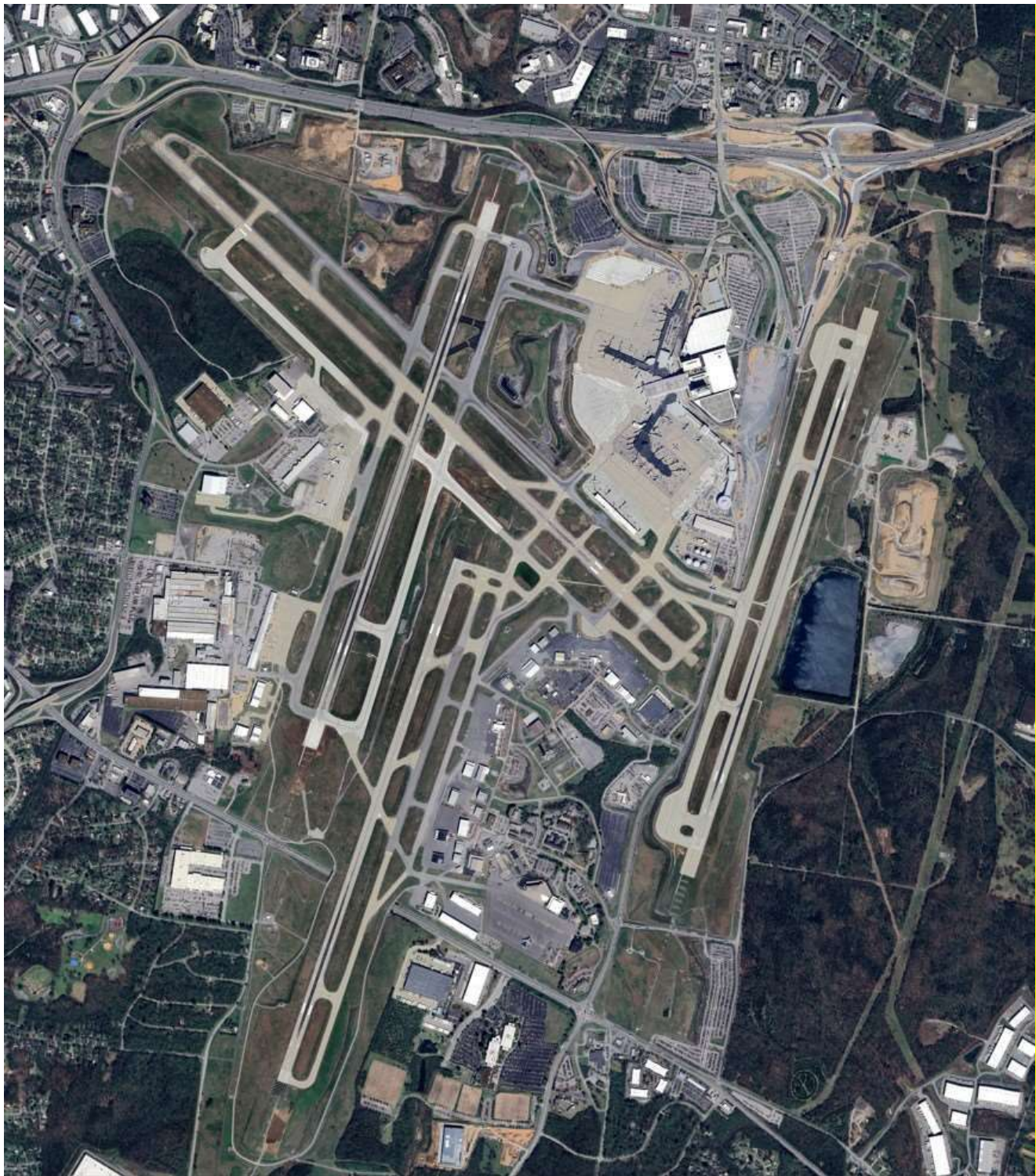
Source: Metropolitan Nashville Airport Authority, Passenger Activity Report; Metropolitan Nashville Airport Authority, FY 2026 Budget; Landrum & Brown Analysis.

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, May 2025.

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 projected 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 one satellite concourse, covering over one million square feet of total space. The existing terminal and apron facilities provide for 54 gate positions and associated passenger waiting areas and security screening facilities. Of the 54 gate positions, six can accommodate international arrivals, and one gate position is utilized as a shuttle station to transport passengers to and from the satellite concourse. The terminal apron is comprised of approximately 1.7 million square feet of pavement.

The main terminal building is divided into five levels: international arrivals and ground transportation (Level 1), the domestic arrivals level (Level 2), the departures level (Level 3), mezzanine level (Level 4), and the walkway connecting the terminal complex to the Pedestrian Plaza (Level 5).

- Level 1 accommodates international arrivals, with international baggage claims, customs and border protection space, and a tunnel welcoming international passengers to the United States. Level 1 also accommodates rental cars counters and the TSA Precheck office. Doors from Level 1 lead to the first level of Terminal Garage 1, Terminal Garage 2, and the Rental Car Facility.
- Level 2 serves primarily as the arrivals hall with baggage claims, baggage makeup, airline baggage service offices, and check baggage inspection screening facilities.
- Level 3 provides passengers access to the grand lobby that includes the ticketing hall, the security checkpoint, the BNA Marketplace, six gates (T-Gates) that can accommodate international flights, and access to the four concourses. However, Concourse A is currently closed. The BNA Marketplace is home to 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 concession program at the Airport is provided in Chapter 4 of this Report.

- Level 4 is a mezzanine level providing an overlook onto the grand lobby and includes available space above the BNA Marketplace, expected to be used for additional Authority offices as well as allowing for the development of future additional concessions or business center space.
- Level 5 connects the terminal complex to the Grand Plaza via a pedestrian bridge over the terminal roadways. The pedestrian bridge is covered by a sweeping canopy extending from the Grand Plaza over the terminal complex. Passengers entering the terminal complex from the pedestrian walkway access the Grand Lobby via escalator or elevator down to Level 3 adjacent to a five-story sculpture from artist Jacob Hashimoto called The Unscalable Ramparts of Time, an installation crafted with 8,000 washi paper kites suspended from fiberglass rods.

The four concourses attached to the main terminal building are Concourse A, Concourse B, Concourse C, and Concourse D, plus the satellite concourse accessed by passengers via a shuttle bus located on Concourse C.

- Concourse A, which had six aircraft gates, has been closed for demolition as part of the Concourse A Reconstruction project (part of the New Horizon capital program, described in section 3.3.2 below). Upon completion, Concourse A is expected to contain 16 new aircraft gates, holdroom seating, and concessions.
- Concourse B contains 10 aircraft gates, holdroom seating and concessions.
- Concourse C contains 19 aircraft gate positions (18 of which are used for aircraft gates and one used as a shuttle station to transport passengers to and from the satellite concourse), holdroom seating, and concessions.
- Concourse D was reconstructed as part of the BNA Vision program (described in section 3.3.1 below) to provide 6 aircraft gates, and was recently expanded from 6 to 11 aircraft gates as part of New Horizon (described in section 3.3.2 below) and includes holdroom seating, concessions, and an outdoor terrace.
- The satellite concourse, completed as part of the BNA Vision program, contains 8 aircraft gates, holdroom seating and concessions.

There are currently 48 operational gate positions on the concourses and six T-gates located in the main terminal building, for a total of 54. Upon completion of the Concourse A Reconstruction, the Airport is expected to have 70 aircraft gate positions, with 69 of those gate positions used as aircraft gates and one gate position continuing to be utilized as the satellite concourse shuttle station. **Table 3-1** summarizes aircraft gate positions by location.

Table 3-1 Summary of Airport Gate Positions

	TOTAL	Concourse A	Concourse B	Concourse C	Concourse D	Satellite Concourse	Main Terminal Building (T-Gates)
Current	54	0 ¹	10	19 ²	11	8	6
Upon completion of Concourse A Reconstruction – July 11, 2028	70	16	10	19 ²	11	8	6

Notes:¹ Existing six-gate Concourse A demolished for Concourse A Reconstruction project² Concourse C contains 18 aircraft gates and one gate position utilized for the Satellite Concourse shuttle station

Source: Metropolitan Nashville Airport Authority

3.1.3 Grand Plaza

BNA's Grand Plaza is located on level 5 of the Terminal Garage 1 and is accessible from the pedestrian bridge from the terminal complex as well as the Terminal 1 Garage elevators. The Grand Plaza provides landscaped seating areas, children play areas, a dog park with relief area and hydration station, access to the Authority's 64,000 square foot administration office building, access to the Hilton Hotel that features 292 guest rooms, approximately 16,000 square feet of meeting space, and a rooftop pool and sky bar, and the Terminal 1 Garage.

The Grand Plaza is also 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 is not included in the Capital Program.

3.1.4 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), and two economy surface parking lots (Economy Lots B and C). In total, these facilities provide approximately 15,550 public parking spaces offering various products to passengers as further described:

- The Authority opened Terminal Garage 1 in June 2020. Terminal Garage 1 has approximately 4,300 covered public parking spaces with a park assist guidance system, EV charging stations, pay-on-foot kiosks, and a tire inflation station and is located across from the main terminal building. Effective November 1, 2025, the maximum daily rate for Terminal Garage 1 is \$33 per day.
- The Authority opened Terminal Garage 2 in December 2018, replacing the former short-term garage. Terminal Garage 2 has approximately 2,200 covered public parking spaces with a park assist guidance system, EV charging stations, pay-on-foot kiosks, and a tire inflation station and is located adjacent to and within walking distance of the main terminal building. Level one of Garage 2 contains the Ground Transportation Center which accommodates Transportation Network Companies (TNCs) such as Uber and Lyft, and shuttle buses. Effective November 1, 2025, the maximum daily rate for Terminal Garage 2 is \$33 per day.

- Short-term parking is accommodated within Terminal Garage 1 and Terminal Garage 2. Effective November 1, 2025, parking is complimentary for the first 30 minutes, \$15 for between 30 and 60 minutes, and after 60 minutes, the full daily parking rates apply.
- Valet parking is available at the Airport 24/7, provides amenities such as complimentary bottled water and baggage assistance, and offers optional car wash services for an additional fee. Valet parking pick-up and drop-off occurs on level 1 of Terminal Garage 1. Valet parking utilizes approximately 350 spaces in Terminal Garage 1, approximately 1,100 spaces in a valet lot located off of Terminal Loop Road, as well as approximately 1,200 overflow spaces located south of the main terminal building along Donelson Pike formerly used for BNA Express Parking. Effective November 1, 2025, pricing for the valet parking service is \$45 per day.
- Terminal Lot A is a surface lot consisting of approximately 1,300 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 main terminal building with no shuttle service provided. Effective November 1, 2025, pricing for Terminal Lot A is \$27 per day.
- Economy Lot B is a surface lot consisting of approximately 1,500 public parking spaces. This lot is located northeast of Terminal Lot A across Donelson Pike. This lot offers shuttle service to the main terminal building approximately every ten minutes. Effective November 1, 2025, pricing for Economy Lot B is \$21 per day.
- Economy Lot C has approximately 3,600 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 main terminal building approximately every ten minutes. Effective November 1, 2025, pricing for the Economy Lot C is \$21 per day.
- Turo, a peer-to-peer car sharing service, operates at the Airport with designated pick-up and drop-off locations within Terminal Lot A and Economy Lots B and C and is subject to the respective daily parking rates.

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, a cell phone waiting lot is 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. Due to roadway construction, the cell phone lot has been permanently relocated to Murfreesboro Pike. The lot features secure fencing, security guard monitoring and real-time flight information monitors, allowing drivers to check the status of incoming flights.

3.1.5 Rental Car Facilities

The 1.2 million-square foot consolidated rental car facility (CONRAC) is located north of Terminal Garage 1 and contains approximately 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. Eleven rental car brands are currently offered within the CONRAC: Advantage, 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.

3.1.6 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.

3.1.7 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, Armada Van Rental, Global Tire, a bank, 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, and 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. 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 MNA 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 included:

- Expanded ramp areas, which include aircraft tie down and parking pad 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

Overall, the restoration and improvement plan included the development of 100 hangars and plane ports, with the last one becoming operational in May 2022.

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.

In November 2024, the Authority entered into a 30-year agreement with one 5-year renewal option, with Atlantic Aviation for the development of new FBO facilities at JWN. The overall investment by Atlantic Aviation is estimated to total approximately \$67 million and is planned to include the construction of a new 7,500 square-foot terminal building, new ramp and parking area, 70,000-gallon fuel storage facility, demolition of old terminal and fuel storage facilities, and several new 30,000+ square-foot hangars with 3,000 square feet of office space. Groundbreaking for the new facility is anticipated to take place in early 2026. Over the term of the lease, Atlantic Aviation will pay base and supplemental rents to the Authority that increase annually.

3.3 Authority's Capital Program

For the purposes of this Report, the Authority's Capital Program comprises the following components:

- BNA Vision
- New Horizon – further categorized as New Horizon I (airside projects) and New Horizon II (landside projects)
- Other capital projects developed as part of the Authority's on-going 5-year Capital Improvement Plan (CIP) ⁵⁸

3.3.1 BNA Vision

Between FY 2012 and FY 2017, annual enplaned passengers at the Airport increased by approximately 39% from approximately 4.9 million to 6.8 million. In response to this growth, the Authority began developing a capital program in 2017 to enhance the capacity of Airport facilities and meet the growing demand for Airport gates, known as the BNA Vision program.

The BNA Vision program has an overall cost of approximately \$1.48 billion and includes:

- construction of the Grand Plaza, Terminal Garage 1, and the Authority administration building
- construction of Terminal Garage 2
- construction of the Grand Lobby and international arrivals facility (IAF) with six new T-Gates, and construction of a temporary international arrivals building used during construction of IAF
- reconstruction and expansion of Concourse D to accommodate six additional aircraft gates which includes the construction of a new central utility plant
- construction of an 8-gate satellite concourse
- the filling and paving of 500,000 square feet of terminal apron and taxiway area
- phase 1 of the expansion of terminal access roadways and the relocation of Donelson Pike
- site prep and ramp paving for future Concourse A Reconstruction
- employee parking lot
- the environmental assessment, property acquisition, and design work associated with the future extension of Runway 2L-20R

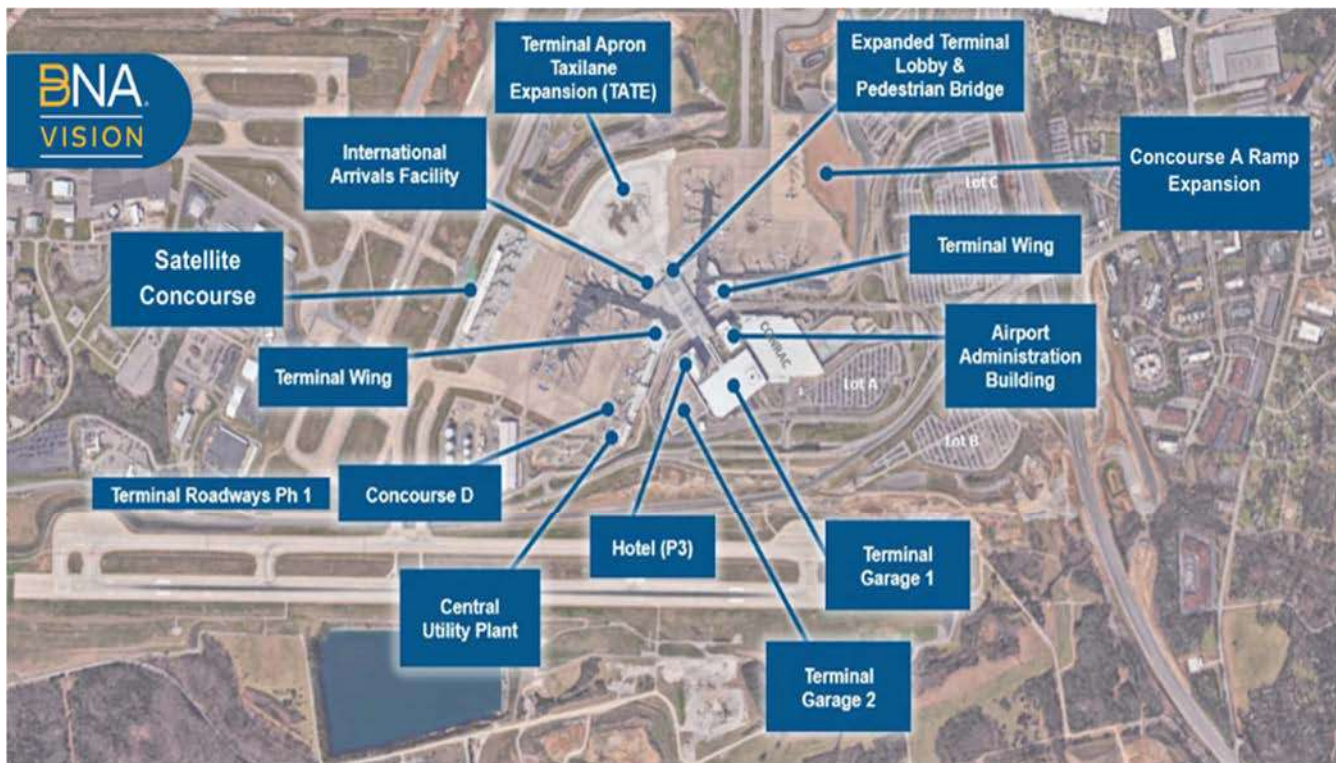
⁵⁸ Includes assumed expenditures beyond the 5-year planning horizon FY 2026 – FY 2030 through the end of the Projection Period based on average spending levels.

- project management, art allowance, and other soft costs

The BNA Vision program also includes the construction of the hotel on the Grand Plaza, however, the Authority selected a private developer to develop the hotel and it is not included in the \$1.48 billion program cost. The Hilton BNA Nashville Airport Terminal opened to the public on February 20, 2024, with a formal grand opening celebration on April 3, 2024.

Figure 3-2 depicts the location of the various BNA Vision elements.

Figure 3-2 **BNA Vision**



The BNA Vision program is nearly complete, all major elements have been completed with the exception of the environmental assessment, land acquisition, and design work associated with the future extension of Runway 2L-20R; a \$15 million project with \$5 million allocated to each component, which will be completed on an as-needed basis. **Table 3-2** presents a funding summary for the BNA Vision program. As shown, the BNA Vision program has been fully funded through a combination of State grants, proceeds from previously issued bonds, CFCs, and other Authority funds. As shown, no proceeds of the Series 2026 Senior New Money Bonds or any future bonds are needed to fund the BNA Vision program. Initially, the total anticipated budget for the BNA Vision Program, including contingency, was approximately \$1.53 billion, however, certain contingency amounts were not needed, and the program cost is now expected to be approximately \$1.48 billion, approximately \$57.1 million below budget.

Table 3-2 BNA Vision Project Costs and Funding Sources (dollars in millions)

Element	Total Cost	State Grants	Previously Issued Bonds	CFC	MNAA Funds	Project Construction Status
Grand Plaza, Terminal Garage 1, and Admin. Bldg.	\$259.6	\$0.0	\$246.6	\$0.0	\$13.0	Complete (2023)
Terminal Garage 2	110.2	12.6	91.1	6.5	-	Complete (2020)
Grand Lobby, IAF, and Temp. IAB	464.3	-	464.3	-	-	Complete (2023)
Concourse D and Terminal Wings	282.3	-	282.3	-	-	Complete (2020)
Satellite Concourse	127.1	36.8	90.3	-	-	Complete (2023)
Terminal Area and Taxiway Expansion	40.4	-	40.1	-	0.3	Complete (2025)
Terminal Area Roadway Improvements – Ph. 1.	64.5	-	64.5	-	-	Complete (2025)
Concourse A – Site Prep and Paving	53.2	-	53.2	-	-	Complete (2025)
Employee Parking Lot	7.3	-	6.9	-	0.4	Complete (2018)
Future Runway 2L Extension – EA, land acq., and Design	15.0	-	15.0	-	-	As needed basis – Anticipated Completion 2031
BNA Vision Management, Art, and Soft Costs	53.5	-	52.3	-	1.2	
TOTAL	\$1,477.4	\$49.4	\$1,406.6	\$6.5	\$14.9	

Note: Amounts may not add because of rounding.

Source: Metropolitan Nashville Airport Authority

3.3.2 New Horizon

As air traffic continued to increase dramatically during the planning and implementation of the BNA Vision program, the Authority began undertaking a new capital initiative, New Horizon, which includes additional expansion projects to accommodate future demand beyond what was contemplated when the BNA Vision program was developed.

The total estimated cost of New Horizon is approximately \$2.96 billion, and is divided into New Horizon I, which comprises airside projects and has a total estimated cost of approximately \$1.62 billion, and New Horizon II, which comprises landside projects and has an estimated cost of approximately \$1.34 billion.

Figure 3-3 depicts the key elements and project locations of New Horizon I and New Horizon II.

Figure 3-3 New Horizon



New Horizon I

New Horizon I aims to increase the number of aircraft gates, improve and expand the baggage handling system, and expand the central ramp area, all designed to help accommodate future air traffic growth. The New Horizon I design phase began in August 2022, with construction of the Concourse D Extension beginning in late 2023.

The components of New Horizon I are as follows:

- The Concourse D Extension, which opened July 8, 2025, expanded the existing Concourse D (reconstructed under the BNA Vision program) from 6 gates to 11 gates, added 8 new concessions locations, a 165-foot long moving walkway, and a record-shaped node at the end of the concourse with an outdoor terrace.
- The Concourse A Reconstruction project, expected to open July 2028, provides for the demolition of the existing six-gate Concourse A and the reconstruction of a new 374,000 square foot Concourse A with 16 aircraft gates, new concessions space, a mezzanine level, and outdoor terraces. The Concourse A Reconstruction project also includes 24 additional ticket counters and certain other improvements to the main Terminal Building central core designed to provide additional capacity and redundancy through the installation of dual up and down escalators from level 1 to 2, level 2 to level 3, and level 3 to level 5. Also included in an additional elevator and enhanced door system at the pedestrian bridge entrance into the main Terminal Building.
- Improvements to the existing baggage handling system, which are split into phases with full completion by 2029, are designed to increase the speed of security inspections, sorting, and delivery of baggage to and from aircraft gates, and expands the systems capacity to handle 40 million annual passengers.
- The Central Ramp project, expected to be completed in 2027 and is required prior to the opening of new Concourse A, fills approximately 1.1 million cubic yards of airfield to provide 7 remain overnight aircraft parking and deicing positions.

Table 3-3 presents the anticipated project costs and funding for each of the New Horizon I elements. As shown, approximately \$698.0 million of New Horizon I project costs are anticipated to be funded with proceeds of the Series 2026 Senior New Money Bonds, with the remaining funding anticipated to come from State grants, proceeds from previously issued bonds, future bonds, and Authority funds.

Table 3-3 New Horizon I (Airside) Project Costs and Funding Sources (dollars in millions)

Element	Total Cost	State Grants	Previously Issued Bonds	Series 2026 Senior New Money Bonds ¹	Future Bonds ²	MNAA Funds	Project Construction Status
Concourse D Extension	\$242.4	\$37.5	\$147.9	\$57.0	\$0.0	\$0.0	Complete (2025)
Concourse A Reconstruction	839.2	-	-	442.7	396.5	-	In progress Anticipated 2028
Baggage Handling System Expansion	238.5	-	22.2	67.1	74.2	75.0	In progress Phased - Full Completion Anticipated 2029
Central Ramp Expansion	239.6	49.5	-	131.2	58.9	-	In progress Anticipated 2027
Art Allowance, Contingency, and Other Soft Costs	60.2	-	29.3	-	30.9	-	
TOTAL	\$1,620.0	\$87.0	\$199.4	\$698.0	\$560.6	\$75.0	

¹ Reflects proceeds of the Series 2026 Senior New Money 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 bond issuances, anticipated to be issued in 2027 (\$380.7 million of project funding) and 2029 (\$179.9 million of project funding). For the purposes of the financial analysis herein, these future issuances are assumed to be Senior Bonds.

Note: Amounts may not add because of rounding.

Source: Metropolitan Nashville Airport Authority

New Horizon II

New Horizon II comprises landside improvements including roadway expansion, additional parking, and larger rental car facility to accommodate future air traffic growth. New Horizon II is currently underway with expected completion in 2029.

Key components of New Horizon II are as follows:

- Terminal Area Roadway Improvements, Phases 2 and 3, are a continuation of roadway improvements undertaken as part of the BNA Vision program. With the Tennessee Department of Transportation’s relocation of Donelson Pike and new diverging diamond interchange with I-40, these roadway improvements are expected to support 40 million annual passengers. The project includes expansion of the terminal ring road loop from approximately 1 mile of 2 lanes to 2 miles, 6 lanes wide. These roadway improvements are expected to be completed by June 2029.
- The Northeast Surface Lot project includes the construction of a new surface parking lot containing approximately 5,000 parking spaces. The new surface lot is anticipated to be used for Airport employee parking, as the existing 2,095-space lot is nearly at capacity and cannot be expanded in its current location. The new surface lot will also be used for valet parking overflow. Upon completion of the Northeast Surface Lot, the existing employee parking lot may be converted to public parking used to accommodate times of peak demand.
- The Garage and Rental Car Complex project includes the construction of a new CONRAC and new parking garage (Garage D) located behind the existing Terminal Garage 1 and existing CONRAC facility. The new CONRAC is expected to provide approximately 4,700 ready/return rental car spaces and related QTA facilities, and Garage D is expected to provide approximately 3,000 public parking spaces. The new garage structure will connect to Terminal Garage 1 via a pedestrian bridge and 350 feet of moving sidewalks to be installed to assist passengers. The CONRAC includes a customer service building and both the garage and CONRAC include a vertical circulation for transition between floors.

All current rental car operations will be relocated from the existing CONRAC to the new CONRAC upon completion of the project. Uses of the existing CONRAC after relocation are still being determined. The funding plan for this project has not yet been determined, however, assumptions related to the use of CFCs to fund rental car related portions of the Garage and Rental Car Complex project, for the purposes of this Report, are described in section 3.4.3 below and in Chapter 4 of this Report.

Table 3-4 presents the anticipated project costs and funding for each of the New Horizon II elements. As shown, approximately \$194.4 million of New Horizon II project costs are anticipated to be funded with proceeds of the Series 2026 Senior New Money Bonds, with the remaining funding anticipated to come from federal and State grants, proceeds from previously issued bonds, future bonds, and CFCs.

Table 3-4 New Horizon II (Landside) Project Costs and Funding Sources (dollars in millions)

Element	Total Cost	Federal Grants	State Grants	Previously Issued Bonds	Series 2026 Senior New Money Bonds ¹	Future Bonds ²	CFCs ³	Project Construction Status
Terminal Area Roadway Improvements (Ph. 2 & 3)	\$298.1	\$40.5	\$39.8	\$2.4	\$100.0	\$115.4	\$0.0	In progress Anticipated 2029
Northeast Surface Parking Lot	94.4	-		-	94.4	-	-	In progress Anticipated 2026
Garage and Rental Car Complex – Parking Garage D	308.0	-		-	-	308.0	-	Planning Phase Anticipated 2029
Garage and Rental Car Complex – New CONRAC	560.4	-		-	-	-	560.4	Planning Phase Anticipated 2029
Art Allowance, Contingency, and Other Soft Costs	76.6	-		-	-	42.6	34.0	
TOTAL	\$1,337.5	\$40.5	\$39.8	\$2.4	\$194.4	\$466.0	\$594.4	

¹ Reflects proceeds of the Series 2026 Senior New Money 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 bond issuances, anticipated to be issued in 2027 (\$342.2 million of project funding) and 2029 (\$123.8 million of project funding). For the purposes of the financial analysis herein, these future issuances are assumed to be Senior Bonds.

³ Includes CFCs used on a cash basis as well as CFCs that may be utilized to support future financings. See Section 3.4.3 herein.

Note: Amounts may not add because of rounding.

Source: Metropolitan Nashville Airport Authority

As of October 2025, \$1.4 billion of the approximately \$2.96 billion total New Horizon budget (48.8% of the total budget) was 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 2025, the Authority maintained individual owner contingencies for each project in New Horizon with total budgeted owner reserves of \$255.7 million (or 8.6% of the total budget), of which \$197.7 million (or 77.3%) 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 11% of the cost of each such project is

expected to be allocated to contingency and escalation costs combined. New Horizon I and New Horizon II programs also carry program contingency amounts of \$26.9 million and \$65.0 million, respectively. For the financial analysis contained in this Report, all contingency amounts are assumed to be needed and funded using proceeds from future bond issuances. If these amounts are not needed, the total cost of New Horizon may ultimately be reduced accordingly.

3.3.3 Other Authority CIP 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 5-year 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 needs to enhance capacity at the Airport. In addition to routine vehicle replacement, maintenance equipment repair and replacement, land acquisition, and other ongoing pavement rehabilitation projects, major CIP projects include various concourse upgrades, deicing improvements, taxilane improvements, construction of office space on the mezzanine level of the main terminal building, and the relocation and consolidation of certain Airport facilities including construction of a new operations and data center and a new maintenance complex. For the purposes of this Report, the Other CIP Projects included in the Authority’s Capital Program reflect the Authority’s on-going 5-year CIP (FY 2026- FY 2030) plus assumed capital expenditures beyond the 5-year CIP through the end of the Projection Period based on average annual expenditures.

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.

Table 3-5 presents the anticipated project costs and funding for the Authority’s major CIP projects. As shown, approximately \$133.5 million of the Authority’s CIP projects are anticipated to be funded with proceeds from the Series 2026 Senior New Money Bonds. For purposes of the financial analysis in this Report, the Authority’s CIP is assumed to total approximately \$927.6 million, with various projects anticipated to be completed at different times through the Projection Period. The assumed cost of the Authority’s CIP includes certain airfield projects that may be subject to the Majority-In-Interest (MII) disapproval process from the Signatory Airlines that has not yet been undertaken by the Authority. However, based on the anticipated need for these projects, they are included in the financial analysis in this Report and assumed to be funded using proceeds from future bond issuances. Additional details are provided in Chapter 4 of this Report.

Table 3-5 Other Authority CIP Project Costs and Funding Sources (dollars in millions)

Element	Total Cost	Federal Grants	Previously Issued Bonds	Series 2026 Senior New Money Bonds ¹	Future Bonds ²	Authority Funds
Concourse Upgrades	\$36.4	\$0.0	\$19.7	\$16.7	\$0.0	\$0.0
Runway and Taxiway Safety Area Improvements ³	72.8	15.0	-	37.8	20.0	-
Taxiway Reconstruction Projects ⁴	106.0	-	-	19.0	87.0	-
Terminal Ramp Reconstruction Projects ⁵	50.0	-	-	30.0	20.0	-
Terminal Offices	10.0	-	-	10.0	-	-
Wildlife Fencing	20.0	-	-	20.0	-	-
Airport Facility Relocations (MNAACampus)	277.3	-	-	-	83.7	193.6
Other CIP and Land Acquisition Projects (FY26 – FY32) ⁶	355.1	-	-	-	-	355.1
TOTAL	\$927.6	\$15.0	\$19.7	\$133.5	\$210.7	\$548.7

¹ Reflects proceeds of the Series 2026 Senior New Money 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 bond issuances, anticipated to be issued in 2027 (\$58.0 million of project funding) and 2029 (\$163.6 million of project funding). For the purposes of the financial analysis herein, these future issuances are assumed to be Senior Bonds.

³ Includes \$20 million of project costs that have not yet been subject to the MII disapproval process, but for purposes of the financial analysis herein, it is assumed that approval will be secured by the Authority for these projects and that they will be funded from future bonds.

⁴ Includes \$47 million of project costs that have not yet been subject to the MII disapproval process, but for purposes of the financial analysis herein, it is assumed that approval will be secured by the Authority for these projects and that they will be funded from future bonds.

⁵ Includes \$20 million of project costs that have not yet been subject to the MII disapproval process, but for purposes of the financial analysis herein, it is assumed that approval will be secured by the Authority for these projects and that they will be funded from future bonds.

⁶ Includes estimated expenditures in FY 2031 and FY 2032, beyond the 5-Year CIP planning horizon.

Note: Amounts may not add because of rounding.

Source: Metropolitan Nashville Airport Authority

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.

3.4 Authority's Capital Program Plan of Finance

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

Table 3-6 presents prior and estimated future annual expenditures for the Authority's Capital Program by category.

Table 3-6 Authority's Capital Program Annual Cash Flow (Dollars in Millions)

Element	Total Cost	Prior to FY 2026	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
BNA Vision ¹	\$1,477.4	\$1,444.0	\$23.4	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0	
New Horizon I	\$1,620.0	\$265.7	\$402.9	\$505.6	\$348.9	\$96.9			
New Horizon II	\$1,337.5	\$21.2	\$139.1	\$395.6	\$470.3	\$289.2	\$22.0		
Other CIP Projects ²	\$927.6	\$30.2	\$96.2	\$168.2	\$198.9	\$223.9	\$94.9	\$57.6	\$57.7
TOTAL	\$5,362.4	\$1,761.1	\$661.6	\$1,071.4	\$1,020.1	\$612.0	\$118.9	\$59.6	\$57.7

¹ The ultimate timing of the environmental assessment and design work associated with the future extension of Runway 2L-20R is subject to change.

² Other CIP Project expenditures in FY 2031 and FY 2032 are not included in the Authority's 5-Year CIP and are estimated based on average on-going capital improvement project costs.

Note: Amounts may not add because of rounding.

Source: Metropolitan Nashville Airport Authority

Table 3-7 presents estimated project costs for the Authority's Capital Program by category and their anticipated funding sources, which includes proceeds of the Series 2026 Senior New Money 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 3-7 and described in this Report reflect proceeds of the Series 2026 Senior New Money 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 3-7 Authority's Capital Program Plan of Finance by Category (Dollars in Millions)

Element	Total Cost	Federal Grants	State Grants	Previously Issued Bonds	Series 2026 Senior New Money Bonds ¹	Future Bonds ²	CFC	MNAA Funds
BNA Vision	\$1,477.4		\$49.4	\$1,406.6	-	-	\$6.5	\$14.9
New Horizon I	\$1,620.0		\$87.0	\$199.4	\$698.0	\$560.6		\$75.0
New Horizon II	\$1,337.5	\$40.5	\$39.8	\$2.4	\$194.4	\$466.0	\$594.4	
Other CIP Projects	\$927.6	\$15.0		\$19.7	\$133.5	\$210.7		\$548.7
TOTAL	\$5,362.4	\$55.5	\$176.2	\$1,628.1	\$1,025.8	\$1,237.3	\$600.9	\$638.6

¹ Reflects proceeds of the Series 2026 Senior New Money 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 bond issuances, anticipated to be issued in 2027 (\$769.9 million of project funding) and 2029 (\$467.4 million of project funding). For the purposes of the financial analysis herein, these future issuances are assumed to be Senior Bonds.

Note: Amounts may not add because of rounding.

Source: Metropolitan Nashville Airport Authority

The Authority anticipates funding its capital program using grants-in aid (federal and State), bond proceeds backed by Airport Revenues, CFC revenues, and Authority funds. The plan of finance for the Authority's Capital Program presented in Table 3-7 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 \$5.36 billion.

3.4.1 Federal 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.

The Authority anticipates using approximately \$40.5 million of federal grants to fund New Horizon II. The Authority also anticipates receiving and using approximately \$15.0 million of federal grant funding for runway and taxiway improvements included in the Authority's CIP. For the purposes of the analysis in this Report, no other federal grant funds have been programmed into the Authority's Capital Program plan of finance, however, the receipt of additional federal grants would likely offset the future anticipated use of Authority Funds or reduce future bonds.

3.4.2 State Grants

In addition to FAA AIP and discretionary grants, the Authority also receives grant funds from the Tennessee Department of Transportation (TDOT) Aeronautics Division's Transportation Equity Fund. The TDOT's Aeronautics Division administers federal and State grants to assist in the location, design, construction, and maintenance of Tennessee's public aviation system. The Authority received approximately \$49.4 million in State grants for BNA Vision and expects to receive approximately \$87.0 million for New Horizon I and an additional \$39.8 million for New Horizon II throughout the Projection Period.

3.4.3 Bond Proceeds

The primary sources of funding for the Authority's Capital Program are proceeds from existing bonds, proceeds from the Series 2026 Senior New Money Bonds, and future bond proceeds.

As shown in Table 3-6, the BNA Vision program has been fully funded, utilizing approximately \$1.4 billion of proceeds from previously issued bonds. Proceeds from previously issued bonds have also been utilized to fund approximately \$199.4 million of New Horizon I, \$2.4 million of New Horizon II, and \$19.7 million of Authority CIP project costs, for a total of approximately \$1.63 billion.

Proceeds from the Series 2026 Senior New Money Bonds are anticipated to be used to fund approximately \$1.03 billion of the Authority's Capital Program, including \$698.0 million of New Horizon I projects, \$194.4 million of New Horizon II projects, and \$133.5 million of other Authority CIP projects.

The plan of finance for the Authority's Capital Program assumes approximately \$1.24 billion of proceeds from future bond issuances. Future bond issuances are currently assumed in 2027 and 2029 to fund \$769.9 million and \$467.4 million of project costs, respectively. For the purposes of the financial analysis herein, these future issuances are assumed to be Senior Bonds, however, the Authority may ultimately elect to issue all or portions of future bonds as Subordinate Bonds.

Additional information regarding financing assumptions, amounts, and timing of the Series 2026 Senior New Money Bonds and future bonds is provided in Section 4.10 of this Report.

3.4.4 Customer Facility Charges

On January 1, 2008, the Authority began requiring the rental car companies at the Airport to charge a CFC of \$4.00 per rental car transaction day, 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 rate was increased to \$4.50, effective January 1, 2010, and was increased to \$10.00 effective February 1, 2025. The current \$10.00 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 Table 3-6, the Authority used approximately \$6.5 million in excess CFCs to fund CONRAC-related improvements associated with BNA Vision projects. To the extent excess CFCs are available during the remaining term of the CFC bond agreements, the Authority plans to use excess CFCs to fund portions of the new CONRAC anticipated to be constructed as part of New Horizon II.

The Authority's existing series of CFC secured bonds are scheduled to be retired in FY 2028. After FY 2028, in addition to the excess CFCs to be used on a cash basis during construction, the Authority plans to utilize CFCs for the financing of all or portions of the new CONRAC, however, the Authority has not yet made any determination regarding the use of CFC revenues. The Authority may elect to issue additional CFC secured bonds, and/or, although CFC revenues are not included as Airport Revenues pursuant to the Senior Bond Resolution or the Subordinate Resolution, the Authority may elect to use CFC revenues to pay Debt Service associated with all or portions of the new CONRAC project. The plan of finance for the new CONRAC project is subject to several factors, including the negotiation of a new agreement with the rental car companies for use of the new CONRAC and other operational determinations.

Projected CFC revenues and assumed uses of CFC revenues during the Projection Period, solely for the purpose of the financial analysis provided in this Report, are described in Section 4.13 of this Report.

3.4.5 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 used approximately \$15.0 million to fund portions of the BNA Vision program, and intends to fund approximately \$75.0 million of New Horizon I, and \$548.7 million of the Authority's other CIP projects using these available funds during the Projection Period. Certain project expenditures using Authority cash are anticipated to be amortized over the useful life of the related assets and recovered from the airline rates and charges, these assumptions are described in Section 4.8.1 of this Report.

The Authority adheres to a debt management policy that includes provisions targeting a minimum range of between 550 and 650 days cash on hand. As presented in the financial analysis herein, the Authority is projected to remain above this targeted liquidity range during the Projection Period.

3.4.6 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.

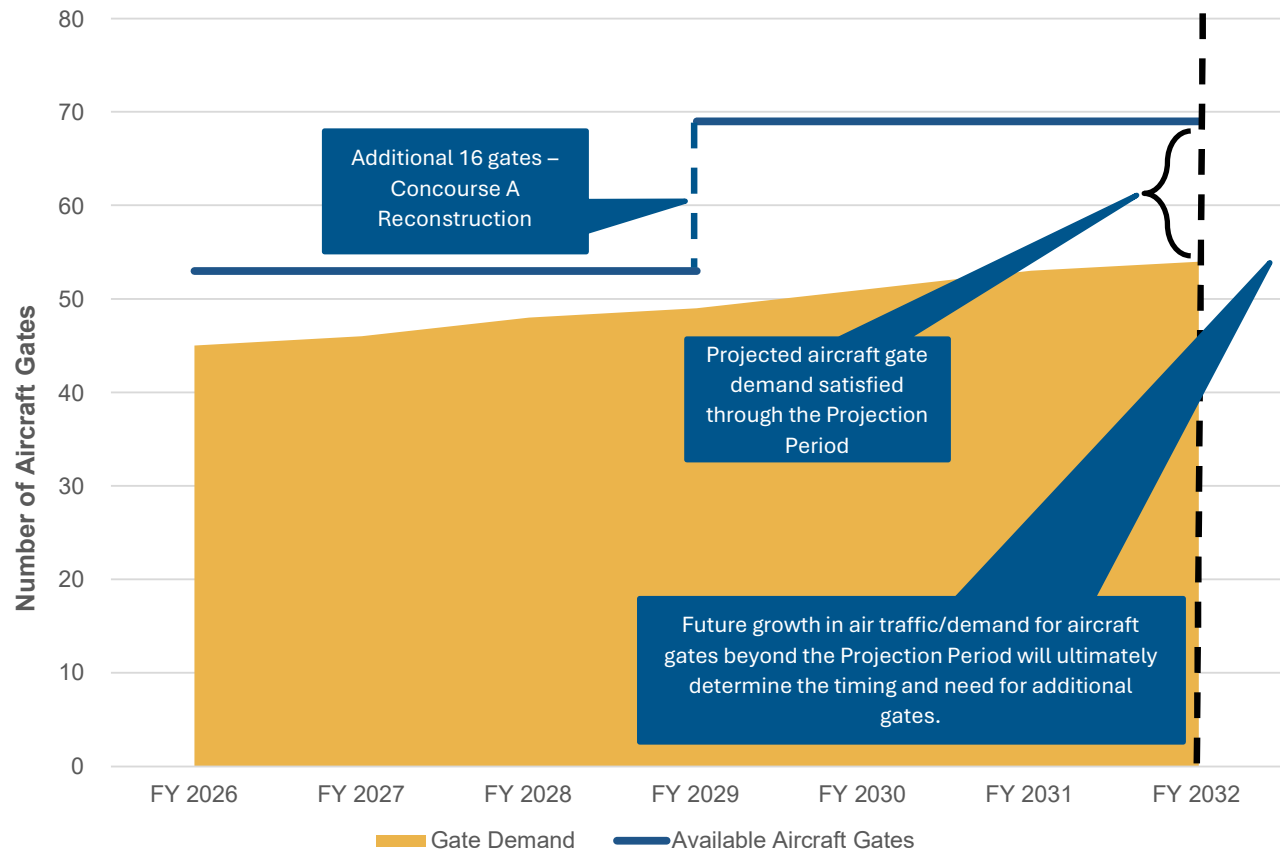
The Authority intends to use PFC revenues primarily to pay Debt Service associated with PFC approved projects, including PFC-eligible portions of Debt Service on the Series 2026 Bonds, but may also elect to fund certain PFC-eligible projects on a pay-as-you-go basis. For purposes of the financial analysis herein, it is assumed all annual PFC revenues will be used to pay Debt Service beginning in FY 2029. Additional information regarding PFC revenues is provided in Section 4.14 of this Report.

3.5 Demand for Future Gates at the Airport

The primary goal of the BNA Vision and New Horizon programs is to accommodate expected demand for gates at the Airport and other systems and facilities needed to facilitate growth in passengers. The 69 total aircraft gates at the Airport expected to be available upon completion of New Horizon I, described in Section 3.1.2 above, are projected to be sufficient to accommodate airline traffic during the Projection Period. However, uncertainty remains regarding longer-term growth of air traffic beyond the Projection Period and demand for additional aircraft gates beyond what is contemplated in the Authority's Capital Program.

Figure 3-4 illustrates the relationship between available aircraft gates at the Airport and projected demand for aircraft gates during the Projection Period. If air traffic continues to increase beyond the end of the Projection Period, at some point the 69 aircraft gates at the Airport may no longer be sufficient to accommodate the demand for gates, potentially constraining additional growth beyond that point.

Figure 3-4 Airport Gates and Long-Term Demand



3.5.1 Terminal 2

As the Airport’s passenger terminal complex cannot be significantly expanded beyond the 70 gate positions (69 aircraft gates) planned as part of the Authority’s Capital Program, to accommodate future passenger growth above 40 million annual passengers and aircraft gate demand beyond 69 aircraft gates, the Authority has begun the initial planning of a second terminal building at the Airport. The Authority has identified a 309-acre site to the south of the existing passenger terminal complex as the preferred location for a future Terminal 2. Initial conceptual layouts contemplate a 50-year plan that consists of four phases. The first phase could provide approximately 20 aircraft gates and associated terminal building and parking facilities, and then incremental demand driven phases beyond that could be undertaken to expand those facilities approximately 10-15 gates at a time. The full plan could provide up to a total of 70 aircraft gates in Terminal 2, for a total of 140 gate positions at the Airport to accommodate over 70 million annual passengers. **While the Authority is prudent in planning for long-term future needs, the timing and need for any capital investments related to Terminal 2 is uncertain at this time and has not yet been established, and therefore, no assumptions regarding Terminal 2 have been made in this Report.**

3.6 Music City Loop

As described in Chapter 1, in July 2025 the Boring Company announced plans for an underground tunnel intended to connect the Airport with Downtown Nashville. As part of this project, the Boring Company may invest in a passenger pick up and drop off point on the Airport, however, these discussions with the Authority are on-going. This project is planned to be privately funded and the Authority is not expected to have any financial or other obligations with respect to the Music City Loop project. The Authority has begun preliminary review to determine what, if any, facility improvements would need to be made at the Airport to accommodate the project (i.e. a station for picking up and dropping off passengers), any financial or operational impacts associated with this project and identifying any potential revenue agreements related to ridership. There is currently no agreement between the Boring Company and the Authority, however, discussions are on-going. **For purposes of this Report, no financial investments nor impacts to Airport Revenues have been assumed.**

3.7 Financial Impact of Authority's 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 2026 Senior New Money Bonds and assumed future bonds, and additional Terminal Building space and revenues resulting from the completion of the Authority's Capital Program. However, no impacts related to the future development of Terminal 2 or the Music City Loop are assumed in this Report. While it is possible that during the Projection Period, the Authority may consider these or other potential future Airport System improvements not planned at this time, 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 federal and State grants, PFCs, Authority funds, CFCs, and/or third-party funds.

Additionally, the financial projections contained later in this Report do not include any debt service savings associated with the potential refunding of all or a portion of the Series 2015 Senior Bonds.

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 Airport Use and Lease Agreements (AULA) and in other key agreements at the Airport System. Additionally, the planned Series 2026 Senior New Money Bonds sources and uses, Debt Service projections, Operating Expenses, Airport Revenues projections, Debt Service coverage, and other key financial analyses are described in this Chapter.

Exhibits contained at the end of this Chapter present projected financial results for the Projection 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 serve 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; the Executive Vice President and Chief Administrative Officer; the Executive Vice President and Chief Strategy Officer; the Executive Vice President and Chief Revenue Officer; and the Executive Vice President and Chief Development Officer.

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.

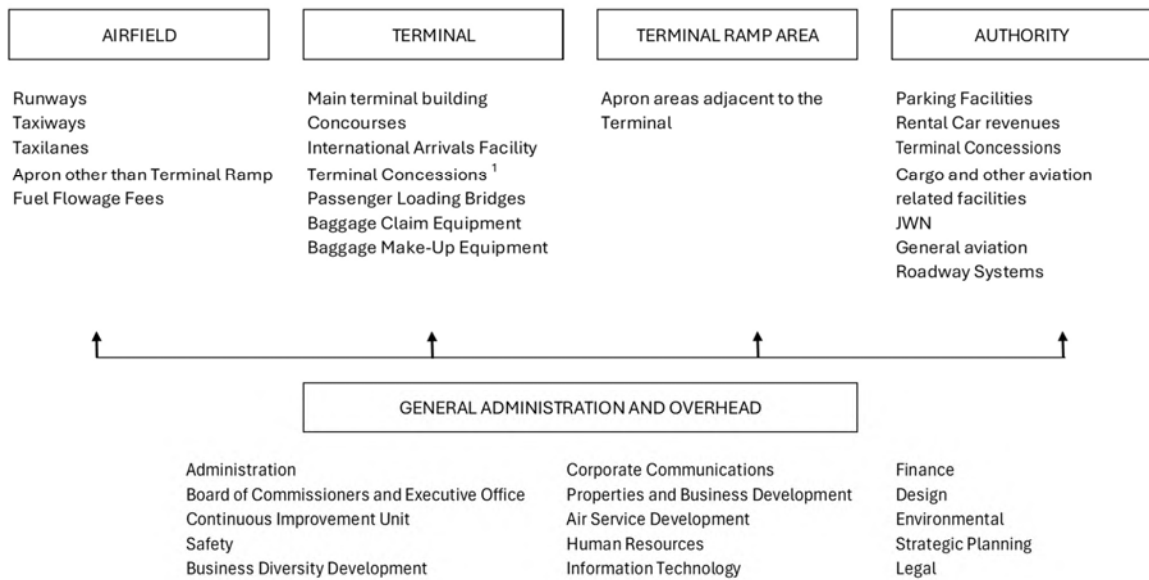
The Authority funds operations at the Airport System with revenues generated from Airport System rentals, fees, and charges. Capital improvements at the Airport System are funded by the Authority with: (1) federal, state, and other grants-in-aid, (2) revenues generated from Airport System rentals, fees 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 AULAs (described in Section 4.8), the Authority maintains 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, with the Terminal Rental Rates 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 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, aviation 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 [January 1, 2026], the Authority has \$770,515,000 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, and remain the only, series of Subordinate Bonds issued under the Subordinate Resolution. As of [January 1, 2026], the Authority has outstanding \$908,700,000 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.

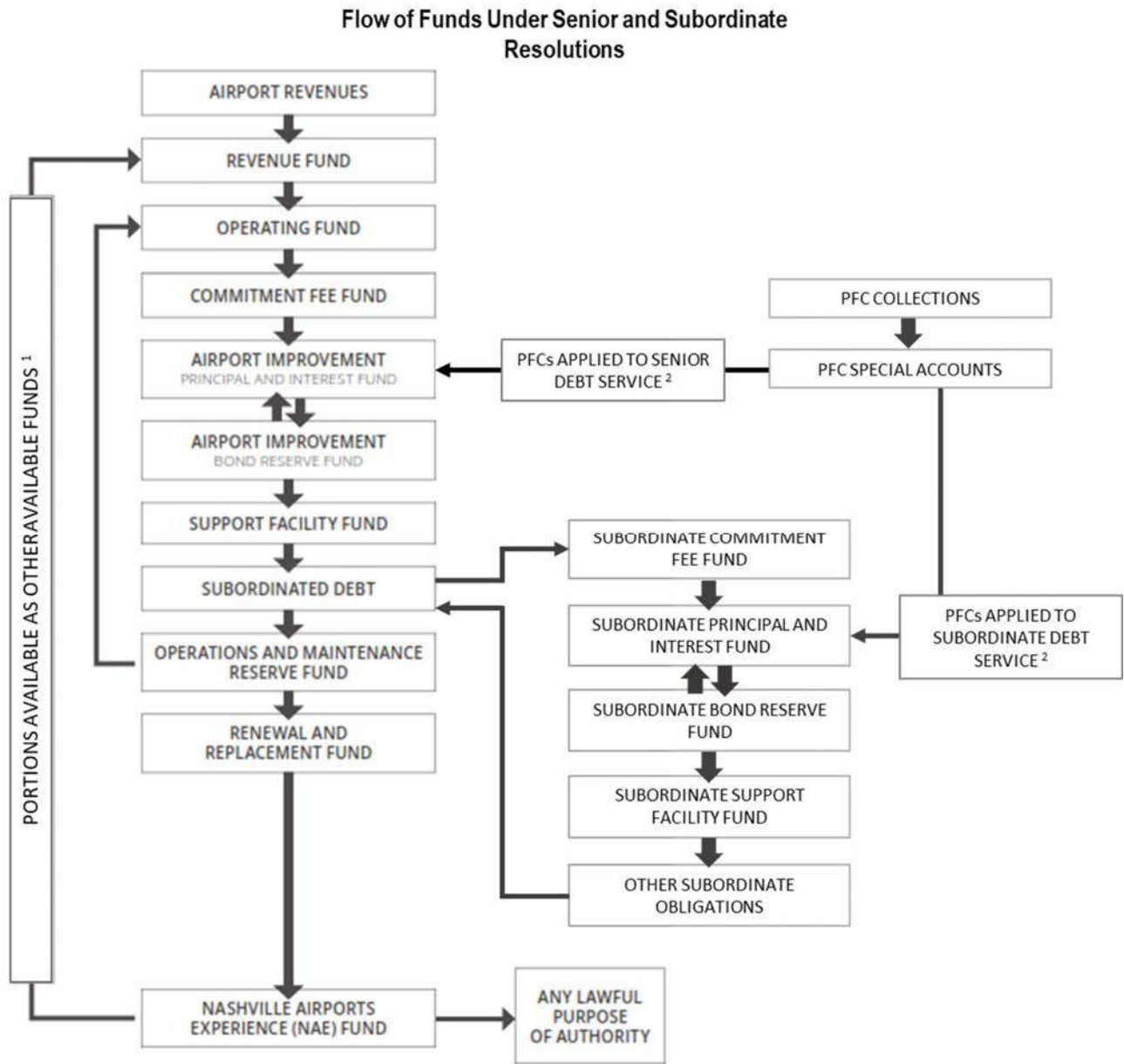
4.6 Note Purchase Agreement (Other Subordinate Obligations)

The Authority maintains a Note Purchase Agreement with Bank of America, N.A. with an available commitment of \$400 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 December 29, 2025, approximately \$242.5 million has been drawn down and is 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 2026 Senior New Money Bonds. On or about the date of issuance of the Series 2026 Senior Bonds, the available commitment under the Note Purchase Agreement will be reduced to approximately \$100 million, which will be available to the Authority to provide a source of interim financing to fund, among other things, certain elements of the Authority's 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 Signatory Airline Use and Lease Agreements

The Authority entered into Signatory Airline Use and Lease Agreements (AULAs), effective beginning July 1, 2023, with Alaska Airlines (Alaska), Allegiant Airlines (Allegiant), American Airlines (American), Delta Air Lines (Delta), FedEx, Frontier Airlines (Frontier), JetBlue Airways (JetBlue), Southwest Airlines (Southwest), Spirit Airlines (Spirit), and United Airlines (United). The Signatory AULAs 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 AULAs and their operating affiliates (together, the Signatory Airlines), accounted for over 97% of enplaned passengers at the Airport in FY 2025.

The Signatory AULAs 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 fees and Passenger Loading Bridge fees are also assessed. The Signatory AULAs have a “hybrid” airline rate-setting methodology; with the Landing Fees being calculated on a residual basis and Terminal and Terminal Ramp Area fee rates generally established through compensatory methodologies. Other than the Airfield cost center, the Signatory Airlines are not required to provide for break-even financial operation of the Airport under the Signatory AULAs.

The Signatory AULAs 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 Use Premises, Preferential Use Premises, and Joint Use Premises. Exclusive Use 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 aircraft 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 include baggage claim areas and baggage makeup equipment. Appendix E 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 Signatory AULAs expire on June 30, 2031, however, if the Date of Beneficial Occupancy (DBO) for the Concourse A Reconstruction (described in this Report) does not occur by July 1, 2028, the term of the agreement will automatically be extended by two years and expire on June 30, 2033. In addition, if the Automatic Term Extension is not triggered, the Authority and a Majority-In-Interest (MII) of the Signatory Airlines may agree upon a two-year extension of the term of the Signatory AULAs. An MII may provide notice in writing to the Authority no earlier than January 1, 2029, and no later than April 1, 2029, of its disapproval of

a two-year extension. If no such notice is provided, the Signatory Airlines shall be deemed to have approved a two-year extension, subject to approval by the Authority. The Authority will notify the Signatory Airlines in writing by June 30, 2029, of its decision to approve or disapprove the two-year extension. The current expected DBO for the Concourse A Reconstruction project is after July 1, 2028, therefore, for the purposes of this Report, the assumed expiration date of the Signatory AULAs is June 30, 2033.

The key provisions of the Signatory Passenger Airline Agreements are summarized in the following sections.

4.8.1 Rate-Setting Methodologies in the Airline Cost Centers

As described in section 4.3, the Airline cost centers include the Airfield, Terminal, and Terminal Ramp Area. Airline rates and charges are calculated pursuant to the Signatory AULAs as follows:

- Landing Fees are calculated primarily on an Airfield cost center residual calculation basis, with the Airfield Requirement being divided by the estimated Signatory Maximum Gross Landed Weight. The Airfield Requirement is calculated based on the following:
 - O&M Expenses allocable to the Airfield; *plus*
 - Debt Service allocable to the Airfield; *plus*
 - Deposits to the Airline Facilities Investment Fund; *plus*
 - Debt Service Coverage requirements allocable to the Airfield; *plus*
 - the Reliever Airport Support Costs; *plus*
 - O&M Reserve Fund requirements allocable to the Airfield; *plus*
 - R&R Fund requirements allocable to the Airfield; *minus*
 - Non-Airline Airfield Revenues; *minus*
 - Landing Fees collected from Non-Signatory Airlines.
- Terminal and Terminal Ramp Area rates are calculated using commercial compensatory methodologies. Terminal Rental Rates, baggage system fees, passenger loading bridge fees, and Terminal Ramp Area Rates are calculated based on the allocable share of O&M Expenses, Debt Service, Amortization Requirements, Debt Service Coverage, O&M Reserve Fund, and Renewal & Replacement (R&R) Fund requirements for each item. Under a commercial compensatory methodology, airlines generally pay for their share of the total amount of rentable space.
- Amortization Requirements reflect the Authority's cash expenditures on certain approved projects in the Terminal and Terminal Ramp Area cost centers that are amortized over the useful life of the cash funded project. Pursuant to the Signatory AULA, the Authority has committed to using at least \$75 million of cash to fund the Authority's Capital Program, and those amortized amounts are recovered through airline rates and charges. In addition, the

Signatory AULA also provides additional amortization that can be recovered through airline rates and charges up to \$1 million annually, adjusted for inflation.

- Debt Service Coverage is included in rates and charges calculations equal to the incremental amounts that are charged each FY based on Bond Resolution covenants to maintain a Debt Service Coverage Ratio of at least 125% in connection with the Authority's senior bonds and to maintain a Debt Service Coverage Ratio of at least 110% in connection with the combination both senior and subordinate bonds, calculated by subtracting the Debt Service Coverage Requirement from the previous FY from the Debt Service Coverage Requirement for the current FY.
- Pursuant to the Signatory AULA, the amount of O&M Expenses maintained in the O&M Reserve Fund from Net Revenues was increased from 2 months to 3 months, with the allocable share of funding equal to 2.25 months in FY 2024, 2.5 months in FY 2025, 2.75 months in FY 2026, and 3.0 months for FY 2027 and beyond included in the calculations of airline rates and charges.
- The R&R Fund is 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. Pursuant to the Signatory AULA, the amounts to be maintained in the fund from Net Revenues is equal to \$6.25 million in FY 2024, \$7.5 million in FY 2025, \$8.25 million in FY 2026, and \$10 million in FY 2027 and beyond.

4.8.2 Revenue Sharing

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 comes from the 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. **Table 4-1** provides the Revenue Sharing Components included in the Signatory AULA.

Table 4-1 **Signatory AULA Revenue Sharing Components**

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

Source: Signatory AULA

4.8.3 Airline Disapproval Process Relating to Capital Improvement Projects

The Signatory Airlines agreed in the Signatory AULAs to a Majority-in-Interest (MII) disapproval process related to certain Airfield Capital Improvement Projects, commonly referred to as a “negative MII”. Other than certain capital improvements identified in the Signatory AULAs (and summarized below), any Airfield capital improvement with a net cost to the Authority in excess of \$2 million and funded in a manner that will directly impact the airline rate base is subject to the MII disapproval process. In general, when an Airfield capital improvement project is subject to the disapproval process under the Signatory AULAs, the Authority is required to give notice to the Signatory Airlines of such project, which notice must include, among other things, a description of the project, the estimate cost of the project, a summary of how the project will be funded and an estimate of the impact the project will have on the Landing Fees and any other fees payable by the Signatory Airlines. The Signatory Airlines have 30 days after receipt of the notice to provide notice to the Authority that they disapprove of the project. An Airfield capital improvement project can only be disapproved if an MII of the Signatory Airlines disapprove the project. The Signatory AULAs define “MII” as Signatory Airlines that account for more than 50% of the 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.

In the event of MII disapproval, the Authority may only proceed with the Capital Improvement Project 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 \$2 million 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 approvals through the MII disapproval process necessary to complete the portions of the Authority's Capital Program being funded with proceeds of the Series 2026 Senior New Money Bonds. For purposes of the financial analysis in this Report, it is assumed that the Authority will acquire all future approvals through the MII disapproval process needed to complete the Authority's Capital Program presented in Chapter 3.

4.9 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 Lease and Concession Agreement 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. 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 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: Advantage, 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. Certain agreements are currently set to expire during the Projection Period, however, the Authority may elect to negotiate new future agreements or extend the current agreements. For purposes of the financial analysis herein, current terms and conditions of the parking, shuttle service, rental car, and other ground transportation agreements are assumed through the Projection Period.

Additional key non-airline agreement terms are as follows:

- Lease and Concession Agreement (Fraport):
 - Includes development and management of Airport terminal concessions program in the Terminal Building
 - The agreement became effective August 15, 2018, originally set to expire January 31, 2029, and has been amended and extended through January 31, 2034

- Rent currently equal to greater of 70% of sublessee rents or minimum annual guarantee (MAG) (equal to greater of 85% of previous years rents or \$11 million), however, pursuant to the extension of the agreement, rent will increase to 85% of sublessee rents effective January 1, 2029
- Lease and Concession Agreement (Paradies):
 - Includes development and management of Airport terminal concessions program in the Satellite Concourse
 - Agreement became effective on October 19, 2023, and has been amended to reflect the following:
 - 20-year term, expiring in 2043
 - Rent equal to 7% of gross receipts until such time that certain triggers are met, at which time the Authority will enter into a 50/50 profit share arrangement
 - The 50/50 profit share arrangement will commence at the earlier of July 1, 2031, when Paradies has recouped its initial \$12 million investment, or when the Satellite Concourse achieves 1.746 million enplaned passengers
 - The 50/50 profit share arrangement will last for five years, and, beginning in year six, the Authority will retain 60% of gross profits
- Parking Agreement (LAZ):
 - Includes automobile parking facilities
 - Term of agreement is July 1, 2021 through June 30, 2026
 - Authority retains parking revenues, pays parking operator a management fee (approximately \$452,000 in FY 2026)
 - Off-airport parking competition by four operators
 - New request for proposals expected
- Valet Agreement (LAZ):
 - 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 \$560,000 in FY 2026)
 - New request for proposals expected

- Shuttle Service Agreement (ABM):
 - Provide shuttle services to Economy parking lots B & C, employee parking lot and Satellite Concourse
 - Term of agreement: seven years from commencement date (the earlier of either January 1, 2024 or the delivery of the new electric shuttles, which occurred in 2023)
 - Authority pays the vendor a combination of hourly and monthly payments based on the type of service
 - Hourly rates range between \$23.98 and \$89.56
 - Monthly rates range between approximately \$117,000 and \$171,000
- Rental Car Concession Agreement:
 - Term of agreement is January 4, 2010 through October 31, 2026. The Authority is currently reviewing agreement options beyond the term.
 - 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 concession amounts for FY 2025 were approximately \$26.4 million
- Transportation Network Companies (Uber and Lyft):
 - Annual operating permit
 - Designated pick up and drop off zones in the Ground Transportation Center, however, are allowed at terminal curbside for individuals with disabilities
 - Pick up and drop off fees of \$5.00
- Turo:
 - Annual operating permit
 - Designated to pick up and return in Terminal Lot A and Economy Lots B&C, prohibits curbside and Terminal Garage 1 and 2 use
 - Turo to collect and remit a fee of approximately 10% of gross sales
 - Parking rates apply

4.10 The Series 2026 Senior New Money Bonds and Future Bonds

The Authority is planning to issue the Series 2026 Senior New Money 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 2026 Senior New Money 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 2026 Senior New Money Bonds.

This Report does not take into consideration any debt service savings associated with the refunding of the Senior Series 2015 Bonds resulting from the issuance of the Authority's Airport Improvement Revenue Refunding Bonds, Series 2026C (Non-AMT) and Series 2026D (AMT). The financial analysis contained in this Chapter reflects only the issuance of the Series 2026 Senior New Money Bonds.

Table 4-2 presents a listing of estimated sources and uses of funds for the proposed Series 2026 Senior New Money Bonds. The estimated sources and uses of funds and Debt Service for the proposed Series 2026 Senior New Money Bonds were prepared by the Authority's financial advisor, PFM Financial Advisors LLC (PFM).

Debt Service estimates for the Series 2026 Senior New Money Bonds were provided by PFM and include the following assumptions:

- Market interest rates as of December 12, 2025 plus 50 basis points
- All-in TIC of 4.97%
- Final maturity of 30 years
- The first principal payment is assumed to occur on July 1, 2029
- A portion of the bond proceeds will fund capitalized interest during construction of each project being funded with the Series 2026 New Money Bonds
- A portion of the bond proceeds will fund a debt service reserve account deposit
- A portion of the bond proceeds will fund the costs of issuance

Table 4-2 Series 2026 Senior New Money Bonds Sources and Uses (Dollars in Thousands)

	Series 2026A (Non-AMT)	Series 2026B (AMT)	Total
<u>Sources:</u>			
Par Amount of Bonds	\$477,270	\$684,495	\$1,161,765
Premium/ (Discount)	20,714	30,027	50,741
Total Sources	\$497,984	\$714,522	\$1,212,506
<u>Uses:</u>			
Project Fund/Note Purchase Agreement Repayment ¹	\$442,313	\$583,483	\$1,025,796
Debt Service Reserve Fund	33,631	48,255	81,886
Capitalized Interest Fund	19,621	79,353	98,974
Costs of Issuance	2,419	3,431	5,850
Total Uses	\$497,984	\$714,522	\$1,212,506

Notes: Amounts may not add due to rounding.

¹ Deposits made into the Project Fund may differ from amount shown in Chapter 3 of this Report as total funding is assumed to include interest earnings on the Project Fund.

Source: PFM Financial Advisors LLC, December 2025

As described in Chapter 3 of this Report, the Authority plans to issue future bonds in addition to the Series 2026 Senior New Money Bonds to fund a total of approximately \$2.26 billion of capital program costs during the Projection Period.

Table 4-3 presents a summary of the planned bond issuances during the Projection Period.

Table 4-3 **Planned Bond Issuances through the Projection Period¹**

Issuance	Assumed Project Funding	Lien Status	Assumed TIC
Series 2026 Senior New Money Bonds ²	\$1,025,795,600	Senior	4.97%
Future Series 2027	\$769,880,000	Senior ¹	6.00%
Future Series 2029	\$467,387,000	Senior ¹	6.00%
Total	\$2,263,062,600		

Notes:

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.

² Assumed project funding includes the Project Fund deposit plus assumed interest earnings.

Note: Amounts may not add due to rounding.

Source: PFM Financial Advisors LLC, December 2025

Debt Service estimates for the assumed future bond issuances in 2027 and 2029 were also provided by PFM and include the following assumptions:

- 6.0% interest rates
- Final maturity of 30 years
- Assumed issuance dates: July 1, 2027 (Series 2027) and July 1, 2029 (Series 2029)
- A portion of the bond proceeds will fund capitalized interest during construction of each project being funded
- A portion of the bond proceeds will fund a debt service reserve account deposit
- A portion of the bond proceeds will fund the costs of issuance

Exhibit B at the end of this Report presents a summary of annual Debt Service on Senior Bonds and Subordinate Bonds, net of capitalized interest as well as projected PFCs applied to Debt Service during the Projection Period. Debt Service on the Series 2026 Senior New Money Bonds, net of capitalized interest, is estimated to be approximately \$4.7 million beginning in FY 2026 and then to increase each year to approximately \$81.9 million in FY 2030, as projects funded with the Series 2026 New Money Bonds are completed, and then to remain level through the Projection Period. Debt Service on Senior Bonds, including the Series 2026 Senior New Money Bonds, net of capitalized interest and PFCs applied to Debt Service, is anticipated to be approximately \$51.6 million in FY 2026 and is projected to increase throughout the Projection Period to approximately \$207.0 million in FY 2031, as debt service on assumed future Senior Bonds would become payable over that time. Net debt service on Senior Bonds is then projected to decrease slightly to \$205.3 million in FY 2032 as additional PFCs are projected to be applied to offset debt service.

4.11 Operating Expenses

Table 4-4 presents annual historical Authority Operating Expenses for the Airport System from FY 2021 through FY 2025. Expenses presented in Table 4-4 reflects Authority reports used for setting airline rates and charges and may differ from Financial Statements. Operating Expenses totalled approximately \$80.8 million in FY 2021, which reflected the cost saving measures instituted by the Authority, such as a freeze on hiring and reductions in purchased services, in response to the impacts of the COVID-19 pandemic. As shown, Operating Expenses increased to approximately \$97.1 million in FY 2022 as the demand for travel returned and traffic increased at the Airport. Increases in Operating Expenses during this time were primarily attributable to increases in personnel expenses, parking management expenses associated with the Authority managing parking operations in FY 2022 and FY 2023, and shuttle bus services. Operating Expenses increased each year to approximately \$173.7 million in FY 2025, which is attributable to continued growth in air traffic, inflation experienced after the pandemic, impacts from the new Airport facilities completed as part of the BNA Vision and New Horizon programs (described in Chapter 3), as well as the execution of new operating agreements for janitorial services, shuttle buses, and other professional services.

Table 4-4 **Historical Operating Expenses¹ (Dollars in Thousands)**

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
By Category:					
Personnel	\$31,676	\$32,005	\$40,935	\$52,944	\$61,191
Professional Services	35,054	49,028	61,280	76,896	86,251
Utilities	5,762	7,002	8,662	8,251	10,570
Materials and Supplies	3,881	4,492	6,239	8,099	8,350
Insurance	1,851	2,066	3,346	5,093	4,780
Other	2,563	2,532	3,013	2,592	2,553
Total Operating Expenses ¹	\$80,786	\$97,126	\$123,475	\$153,875	\$173,693
Enplaned Passengers	5,152	9,218	10,920	11,826	12,385
Operating Expenses per Epax	\$15.68	\$10.54	\$11.31	\$13.01	\$14.02

Note: Amounts may not add because of rounding.

1 Reflects Authority Operating Expenses used for setting airline rates and charges and may differ from Financial Statements.

Source: Metropolitan Nashville Airport Authority, September 2025

While Operating Expenses more than doubled from FY 2021 to FY 2025, Operating Expenses per enplaned passenger were approximately \$15.68 in FY 2021 and then decreased to \$10.54 in FY 2022, as growth in air traffic outpaced growth in Operating Expenses, and have remained below FY 2021 levels with Operating Expenses per enplaned passenger of \$14.02 in FY 2025.

Total Operating Expenses are budgeted to be approximately \$192.6 million in FY 2026 (\$15.40 per enplaned passenger), which accounts for budgeted staffing increases, inflation, and the completion of elements of the Authority's Capital Program being completed in FY 2026. The projection of Operating Expenses is based on historical trend reviews, the anticipated impacts of inflation, projected air traffic, and impacts associated with the implementation of the Authority's Capital Projects over the Projection Period, including the completion of various baggage system improvements, and the opening of the new 16-gate Concourse A in FY 2029. Total Operating Expenses are projected to increase at a CAGR of approximately 4.4% from budget FY 2026 through the end of the Projection Period, which also reflects a CAGR of Operating Expenses per enplaned passenger of approximately 1.0%.

Exhibit C at the end of this Report presents the Operating Expenses by category and cost center budgeted for FY 2026 and projected over the Projection Period.

For the purposes of this financial analysis, Operating Expenses are classified into the following categories, which account for more than 96% of the Airport System's total Operating Expenses for budget FY 2026.

- **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 37.7% of total expenses at the Airport budgeted for FY 2026. As presented in Table 4-4, these expenses increased from approximately \$31.7 million in FY 2021 to approximately \$61.2 million in FY 2025, primarily as a result of the easing of cost saving measures taken during the COVID-19 pandemic as air traffic recovered, additional staff required as air traffic continued to grow beyond pre-Pandemic levels, and increases in staff salaries. Personnel expenses are budgeted to total approximately \$72.5 million in FY 2026, which reflects additional staff requirements associated with traffic growth at the Airport and the implementation of the Authority's Capital Program. Personnel expenses are projected to increase at a CAGR of 4.5% over the Projection Period.
- **Purchased Services.** This expense category includes costs associated with the Authority's outsourcing for parking lot operations, shuttle bus services, contract repairs and maintenance, janitorial, professional services and consulting services for the Airport System, which when combined represents the largest category of expenses of the Airport System as it comprises approximately 47.5% of total expenses budgeted for the Airport System in FY 2026. As shown in Table 4-4, purchased services expenses increased over the past five years, primarily attributable to contractual increases required to support traffic growth at the Airport and the implementation of the Authority's Capital Program. Purchased services expenses are budgeted to total approximately \$91.4 million in FY 2026 and are projected to increase at a CAGR of approximately 4.2% over the Projection Period.

- **Utilities.** This expense category includes expenses for electricity, gas, water, and heating, ventilation, and air conditioning (HVAC). Utilities expenses of the Airport System comprise approximately 5.4% of total Operating Expenses of the Airport System budgeted for FY 2026. This category of expense increased from approximately \$5.8 million in FY 2021 to approximately \$10.6 million in FY 2025, primarily attributable to increases and Terminal Building space and additional Airport building and facilities completed as part of the Authority's Capital Program. Utilities expenses are budgeted to be approximately \$10.4 million in FY 2026 and are projected to increase at a CAGR of approximately 3.7% during the Projection Period to reflect assumed inflationary increases in the cost of utilities, and the opening of the new Concourse A in FY 2029.
- **Materials & Supplies.** Materials & Supplies expenses of the Airport System comprise approximately 4.7% of total Operating Expenses budgeted for the Airport System in FY 2026. This expense category, which includes costs associated with materials and supplies needed for Airport operations and the most significant components of these are gasoline and diesel fuel and other supplies for the terminals, increased from approximately \$3.9 million in FY 2021 to approximately \$8.4 million in FY 2025. Material & supplies Operating Expenses are budgeted to be approximately \$9.1 million in FY 2026 and are projected to increase at a CAGR of approximately 4.1% during the Projection Period, reflecting assumed future traffic growth at the Airport, inflation, and the implementation of the Authority's Capital Program.
- **Insurance.** This expense category includes both property and liability insurance for the Airport System, which increased from approximately \$1.9 million in FY 2021 to approximately \$4.8 million in FY 2025. Insurance Operating Expenses are budgeted to be approximately \$5.9 million in FY 2026 and are projected to increase at a CAGR of 8.0% over the Projection Period, reflecting assumed future increases in insurance premiums.

4.11.1 Allocation of Operating Expenses to Cost Centers

For financial planning purposes and to implement the Signatory AULA's 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, Concessions and Real Estate, 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 AULA. Indirect expenses are allocated to direct cost centers for the purposes of calculating Landing Fees, Terminal Ramp Area rentals, and Terminal Rental Rates.

4.12 Non-Airline Revenue

Table 4-5 presents historical Airport System non-airline revenue from FY 2021 through FY 2025.

Table 4-5 Historical Airport Non-Airline Revenue (Dollars in Thousands)¹

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
By Category:					
Parking *	\$27,116	\$76,135	\$97,047	\$111,147	\$113,203
Car Rental *	12,656	20,452	24,496	26,443	27,371
Space Rental	14,007	16,785	17,409	15,834	17,628
Terminal Concessions *	9,374	16,743	18,007	25,827	28,378
Ground Transportation *	4,900	12,644	16,832	16,912	18,177
Other ²	13,262	9,373	23,440	38,111	43,508
Total Non-Airline Revenue	\$81,316	\$152,133	\$197,231	\$234,275	\$248,264
Total Passenger-Driven Non-Airline Revenue	\$54,047	\$125,975	\$156,382	\$180,329	\$187,129
Enplaned Passengers	5,152	9,218	10,920	11,826	12,385
Passenger-Driven Revenue per Epax	\$10.49	\$13.67	\$14.32	\$15.25	\$15.11

Notes: Amounts may not add because of rounding.

* Denotes passenger-driven revenue sources.

¹ Reflects Authority Non-Airline Revenues used for setting airline rates and charges and may differ from Financial Statements.

² Includes Reliever Airport revenues and other miscellaneous revenues.

Source: Metropolitan Nashville Airport Authority, September 2025

As presented in Table 4-5, non-airline revenue totalled approximately \$81.3 million in FY 2021, reflecting the decreased travel demand associated with the COVID-19 pandemic. As air traffic rebounded to above pre-pandemic levels in FY 2022, non-airline revenue increased to approximately \$152.1 million. Non-airline revenue continued to increase each year, primarily as a result of further growth in air traffic, increases in parking rates and ground transportation fees, increases in building rents, increases in interest earnings, and inflationary factors related to rental car and in-Terminal concession pricing.

Passenger-driven non-airline revenue, comprising parking, rental car, terminal concessions, and ground transportation, accounted for approximately 75% of the Airport System's total non-airline revenue from FY 2025. On a per enplaned passenger basis, passenger-driven non-airline revenue increased from \$10.49 in FY 2021 to \$15.11 in FY 2025, reflecting a CAGR of 9.5%.

Non-airline revenues are budgeted to be approximately \$238.7 million in FY 2026 and are projected to increase each year to approximately \$325.8 million by FY 2032, reflecting a CAGR of approximately 5.3% over the Projection Period. In general, projections of non-airline revenue are based on historical trend reviews, projected air traffic activity levels, assumed parking rate and other inflationary increases, and impacts associated with implementation of the Authority's Capital Program.

Exhibit D at the end of this Report presents Airport System non-airline revenue budgeted for FY 2026 and projected through the Projection Period.

Non-airline revenue categories are further described in the following sections.

4.12.1 Parking Revenues

As presented on Table 4-5, parking revenues totalled approximately \$27.1 million in FY 2021, which reflected the reductions in air traffic as a result of the onset of the COVID-19 pandemic. 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. As air traffic recovered and then continued to increase beyond pre-pandemic levels, parking revenues increased steadily to approximately \$113.2 million in FY 2025.

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 parking demand has continued to increase. The Authority also generate parking revenue through employee parking decals.

The Authority has a management contract for its parking operation, but receives gross revenues as opposed to net revenues from a concession agreement. Parking revenues are budgeted to be approximately \$115.1 million in FY 2026 and are projected to increase based on growth in enplaned passengers and assumed periodic rate increases equivalent to a \$2 increase to the maximum daily rate in each lot every other fiscal year. 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.

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	\$36	\$26	\$18	\$16	\$16	Closed
March 1, 2023	\$38	\$28	\$18	\$18	\$18	Closed
June 1, 2024	\$40	\$30	\$20	\$20	\$20	Closed
August 1, 2025	\$41	\$31	\$21	\$21	\$21	Closed
November 1, 2025	\$45	\$33	\$27	\$21	\$21	Closed

Note: ¹ The BNA Express Lot is currently being used for Valet overflow.

Source: Metropolitan Nashville Airport Authority

As described in Chapter 3, the existing Terminal Lot A is anticipated to be closed upon the start of construction on the Garage and Rental Car Complex being constructed as part of New Horizon II. For purposes of this analysis, it is assumed that Terminal Lot A will close at the beginning of FY 2027 and that parking demand currently accommodated in Terminal Lot A will be split between the Terminal Garages and Economy Lots. In FY 2027 and FY 2028, the availability of Terminal Garage parking spaces at certain peak times may be constrained, however, it is assumed that total parking demand can be fully accommodated on-Airport. Upon completion of the 3,000-space Garage D, as well as Northeast Surface Parking Lot which will provide additional valet parking overflow, it is assumed that there will be sufficient parking capacity to accommodate projected demand through the Projection Period. As described in Section 4.9 above, for purposes of the financial analysis herein, although the current parking management agreement expires in 2026, 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 through the Projection Period.

As presented on Exhibit D, parking revenues are projected to increase each year over the Projection Period to approximately \$162.5 million in FY 2032, reflecting a projected CAGR of approximately 5.9%.

4.12.2 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, which totalled approximately \$12.7 million in FY 2021 as presented on Table 4-5, 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, respectively). Rental car revenues increased each year from FY 2022 through FY 2025, to approximately \$27.4 million in FY 2025, primarily attributable to increases in air traffic, a strong visiting O&D market, and inflationary rental car rate increases.

The current rental car concessions agreement expires October 31, 2026, and for the projections of rental car revenue provided herein, this analysis assumes the continuation of the existing agreement, or execution of a similar agreement, through the Projection Period. It is also assumed, based on historical trends, that demand for rental cars will remain level and that the existing ratio between rental car transactions and enplaned passengers will be maintained through the Projection Period. Rental car concession revenues are budgeted to be approximately \$28.1 million in FY 2026 and are projected to increase based on growth in enplaned passengers and inflationary growth in gross receipts. While it is likely that a new rental car agreement will be negotiated before the construction of the new CONARC, described in Chapter 3, for the purposes of this analysis, no incremental rental car revenues related to the new CONRAC are assumed, only that the new CONRAC will allow the Authority to continue to accommodate rental car demand on-Airport through the Projection Period.

As presented on Exhibit D, rental car revenues are projected to increase to approximately \$37.3 million by the end of the Projection Period, reflecting a CAGR of approximately 4.8%.

4.12.3 Ground Transportation Concessions

As shown on Table 4-5, ground transportation concessions totalled approximately \$4.9 million FY 2021, then increased significantly to approximately \$12.6 million in FY 2022. This increase in ground transportation concessions was, in addition to the recovery of air traffic, 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. As air traffic continued to increase from FY 2022 through FY 2025, ground transportation concessions increased each year to approximately \$18.2 million in FY 2025.

TNC fees are able to be increased by the Authority pursuant to the contractual agreement with 30 days notice. The Authority increased the pick-up and drop-off fees to \$5.00 per trip, which became effective July 1, 2025, and is reflected in the \$22.1 million of ground transportation concessions budgeted for FY 2026. 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 projected to increase based on growth in enplaned passengers. For the purposes of this Report, no fee increases to the existing \$5.00 pick-up and \$5.00 drop-off fees have been assumed.

As presented on Exhibit D, ground transportation revenues are projected to increase to \$29.3 million by the end of the Projection Period, reflecting a CAGR of approximately 4.8%.

4.12.4 Terminal Concessions

As shown on Table 4-5, Terminal concession revenues totalled approximately \$9.4 million in FY 2021, which reflects the MAG under that concession agreement with Fraport USA that was contractually adjusted downwards in FY 2021 due to the pandemic. Terminal concession revenues increased to approximately \$28.4 million in FY 2025.

Terminal concession revenues are budgeted to be approximately \$26.3 million in FY 2026, and are projected to increase based on inflation, growth in enplaned passengers, the provisions of the concessions agreements summarized in Section 4.9 of this Report, and an increased spend rate for new concession concepts related to the new Concourse A included in the Authority's Capital Program. The completion of new Concourse A is assumed to result in a 10% increase in Terminal concession revenues per enplaned passenger in FY 2029. Terminal concession revenues are projected to increase to approximately \$41.3 million by the end of the Projection Period, reflecting a CAGR of approximately 7.8%.

4.12.5 Other Non-Airline Revenues

Other non-airline revenues include space rental revenues from other buildings and areas, including air cargo, hangars, the on-Airport hotel, fixed base operator rents, and other land and buildings. Space rentals totalled approximately \$14.0 million in FY 2021 and increased to approximately \$17.6 million by FY 2025.

Other miscellaneous revenues generated by the Authority include revenues from the Reliever Airport, fuel flowage fees, interest income, and miscellaneous revenues related to the BNA shop and security office. Other miscellaneous revenues totalled approximately \$13.3 million in FY 2021, then decreased to approximately \$9.4 million in FY 2022 and then increased steadily through FY 2025 to approximately \$43.5 million, primarily related to increases in interest income.

Other buildings and areas revenues and other miscellaneous revenues are budgeted to be \$18.3 million and \$28.8 million in FY 2026, respectively, and are projected to increase generally with inflation over the Projection Period.

4.13 CFC Revenue

On January 1, 2008, the Authority began requiring the rental car companies at the Airport to charge a CFC of \$4.00 per rental car transaction day. The CFC was then increased to \$4.50 effective January 1, 2010, and, as of February 1, 2025, the Authority currently charges the on-Airport rental car companies a \$10.00 CFC per rental car transaction day, collected from each of their customers and subsequently remitted to the Authority. 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. The Authority uses CFCs 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 Authority. CFCs collected in excess of the amount required for those purposes can be used by the Authority for any lawful purpose.

As described in Chapter 3, to the extent excess CFCs are available during the remaining term of the CFC bond agreements, the Authority plans to use excess CFCs to fund portions of the new CONRAC anticipated to be constructed as part of New Horizon II. As of December 1, 2025, the Authority has outstanding \$11.1 million in aggregate principal amount of its CFC secured bonds. The Authority's existing series of CFC secured bonds are scheduled to be retired in FY 2028. After FY 2028, in addition to the excess CFCs to be used on a cash basis during construction, the Authority plans to utilize CFCs for the financing of all or portions of the new CONRAC, however, the Authority has not yet made any determination regarding the use of CFC revenues. The Authority may elect to issue additional CFC secured bonds, and/or, although CFC revenues are not included as Airport Revenues pursuant to the Senior Bond Resolution or the Subordinate Resolution, the Authority may elect to use CFC revenues to pay Debt Service associated with all or portions of the new CONRAC project. The plan of finance for the new CONRAC project is subject to several factors, including the negotiation of a new agreement with the rental car companies for use of the new CONRAC and other operational determinations.

Based on the relationship between rental car transactions and enplaned passengers assumed for the development of projected rental car concession revenues, as well as historical trends of the average length of rental car transaction (i.e., days per transaction), rental car transaction days are projected to total approximately 3.9 million in FY 2026, yielding approximately \$39.0 million of CFC revenue. The budgeted operating and financing costs associated with the CONRAC total approximately \$5.6 million in FY 2026, which would result in approximately \$33.4 million in excess CFCs in FY 2026.

It is assumed that demand for rental cars and the average number of days per rental car transaction will be maintained through the Projection Period. Rental car transaction days are projected to increase from approximately 3.9 million in FY 2026 to approximately 4.4 million by the end of the Projection Period. The amount of CFC revenues projected to be generated over the Projection Period is dependent on the CFC rate. For the purposes of this Report, it is assumed that future rental car demand will be sufficient to generate CFCs sufficient to fund the new CONRAC project, which could include future increases in the CFC rate.

4.14 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 PFCs to pay additional Debt Service on PFC-Eligible Bonds.

As of September 30, 2025, the Authority is authorized by the FAA to impose and use approximately \$1.66 billion 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, 2025, the Authority had collected approximately \$652.8 million of its total approved collection authority, including interest earnings, and had spent approximately \$434.4 million on approved projects. As of September 30, 2025, the Authority had an unliquidated balance of approximately \$218.3 million of PFCs revenues.

Exhibit E at the end of this Chapter presents projected PFC revenue during the Projection Period. PFC revenues are driven by enplaned passengers at the Airport as presented on the exhibit. Based on historical trends, it is assumed 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. PFC revenue is estimated to be approximately \$46.7 million in FY 2026 and to increase each year to approximately \$61.4 million by the end of the Projection Period. As shown in Exhibit E, it is assumed that, beginning in FY 2029 when the new Concourse A is completed, the Authority will apply all of its annual PFC revenues to offset debt service.

4.15 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 AULAs (described earlier in this Chapter) through the Projection Period.

4.15.1 Landing Fees

Exhibit F at the end of this Report presents the calculation of Landing Fees budgeted in FY 2026 and projected through the Projection Period. As described in Section 4.8.1, the landing fee is calculated using cost center residual methodology pursuant to the Signatory AULAs.

As presented in Exhibit F, the Signatory Landing Fee Rate per 1,000-pound unit of landed weight is budgeted to be \$3.47 in FY 2026. The Signatory Landing Fee rate is projected to increase to \$5.74 per 1,000 pounds of landed weight by the end of the Projection Period, primarily attributable to increases in Airfield O&M Expenses and future debt service related to Airfield capital projects. Total Landing Fees are projected to increase from approximately \$51.6 million budgeted in FY 2026 to approximately \$94.5 million in FY 2032.

4.15.2 Terminal Rents

Exhibit G at the end of this Report presents the calculation of Terminal Rental Rates in the Terminal Building and Satellite Concourse budgeted in FY 2026 and projected through the Projection Period. As described in Section 4.8.1, pursuant to the Signatory AULAs, the average terminal rental rate per square foot for the Terminal Building is calculated on a commercial compensatory basis, and then adjusted on a weighted basis for the Terminal Building with a 2.5% discount for the Satellite Concourse. Passenger airlines are charged the calculated rate per square foot for Terminal space leased by the airline.

The Signatory Terminal Rental Rates for the Terminal Building and Satellite Concourse are budgeted to be \$211.38 per square foot and \$206.10 per square foot, respectively, in FY 2026. Signatory Terminal Rental Rates are projected to remain relatively level through FY 2028, then to increase to \$262.22 per square foot in the Terminal Building and \$255.66 per square foot in the Satellite Concourse in FY 2030 when debt service related to the new Concourse A becomes fully payable. Airline Terminal rental revenue, including unimproved space and non-signatory office space rents, is budgeted to be approximately \$59.4 million in FY 2026 and is projected to increase to approximately \$99.2 million by the end of the Projection Period.

Terminal rents for unimproved space are \$4.25 per square foot through the term of the Signatory AULAs.

4.15.3 Terminal Ramp Area Rentals

Exhibit H at the end of this Report presents the calculation of budgeted Terminal Ramp Area Rates for FY 2026 and projected through the Projection Period. As described in Section 4.8.1, pursuant to the Signatory AULAs, the Terminal Ramp Area Rate per square foot for the Terminal Ramp Area is calculated on a commercial compensatory basis. Passenger airlines are charged the calculated rate per square foot for Terminal Ramp Area space leased by the airline.

The Signatory Terminal Ramp Area Rate is budgeted to be \$4.26 per square foot in FY 2026 and is projected to remain relatively level through FY 2028 and then to decrease to \$3.58 per square foot as additional Terminal Ramp Area space becomes available. The Signatory Terminal Ramp Area Rate is then projected to increase to approximately \$4.66 per square foot in FY 2031 as additional debt service related to Terminal Ramp Area capital projects first becomes payable. Airline Terminal Ramp Area rental revenue is budgeted to be approximately \$5.9 million in FY 2026 and is projected to increase to approximately \$7.5 million by the end of the Projection Period.

4.15.4 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 provides projections of revenues generated for these fees, calculated using the methodologies pursuant to the Signatory AULA, as described in Section 4.8.1.

Passenger Loading Bridge Fees and Baggage Fees are budgeted to be approximately \$3.2 million and \$24.7 million, respectively, in FY 2026 and are projected to increase throughout the Projection Period based on increases in the number of passenger loading bridges upon completion of the new Concourse A in FY 2029,

incremental debt service, amortization requirements, and expenses associated with baggage handling system improvements, and other inflationary factors.

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.

4.16 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 projected airline CPE at the Airport during the Projection Period. As shown, the airline CPE includes the Landing Fees, Terminal Rentals, Terminal Ramp Area Fees, Baggage System Fees, Passenger Loading Bridge Fees, and Per Use fees.

The calculation of airline CPE also reflects revenue sharing pursuant to the methodology in the Signatory AULA based on the 20th percentile weighting of three factors: Net Remaining Revenues, In-Terminal Concessions and a fixed share per enplanement, as described in Section 4.8.2.

Revenue sharing is projected to total approximately \$10.7 million in FY 2026 and then to decrease each year to approximately \$4.9 million in FY 2030, and then to increase in FY 2031 and FY 2032 to approximately \$6.6 million in FY 2032.

Airline CPE is calculated based on the total amount of airline revenues, offset by revenues shared with the Signatory Airlines pursuant to the revenue sharing provisions of the Signatory AULA, then divided by total enplaned passengers. Airline CPE is projected to be \$10.91 in FY 2026 and is projected to increase to a peak of \$17.48 in FY 2030. Airline CPE throughout the Projection Period appears within reasonable levels of affordability for the airlines and comparable to other major airports undergoing major capital programs. Therefore, it is unlikely that the projected airline CPE would deter air service at the Airport.

4.17 Net Revenues and Debt Service Coverage

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.

Exhibit J presents Net Revenues and Senior Debt Service coverage ratios for the Airport System throughout the Projection Period. As presented, Net Revenues are projected to increase each year from approximately \$183.8 million in FY 2026 to approximately \$333.6 million in FY 2032. 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 FY 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 projected to increase from \$196.7 million in FY 2026 to \$384.9 million in FY 2032. Senior Debt Service coverage is projected to be above 1.75x (with Other Available Funds) and 1.50x (without Other Available Funds) throughout the Projection Period, in accordance with the Authority's debt management policy.

Exhibit J also presents Senior and Subordinate Debt Service coverage ratios for the throughout the Projection 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 projected to increase from \$191.9 million in FY 2026 to \$357.1 million in FY 2032. Senior and Subordinate Debt Service coverage ratios are projected to be above 1.35x (with Other Available Funds) and 1.25x (without Other Available Funds), in accordance with the Authority's debt management policy.

Table 4-7 presents projected Net Revenues, Debt Service coverage ratios, and airline CPE throughout the Projection Period.

Table 4-7 Debt Service Coverage Forecast and Passenger Airline CPE Forecast (Dollars in Thousands, Except For CPE)

Fiscal Year	Net Revenue	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
2026	\$183,759	\$51,588	3.81x	\$30,232	2.35x	\$10.91
2027	\$194,752	\$63,773	3.30x	\$30,091	2.17x	\$11.39
2028	\$217,631	\$86,827	2.76x	\$30,087	1.96x	\$12.55
2029	\$272,636	\$159,203	1.96x	\$30,084	1.54x	\$15.83
2030	\$315,364	\$204,059	1.80x	\$30,095	1.45x	\$17.48
2031	\$324,559	\$207,048	1.82x	\$30,084	1.47x	\$17.11
2032	\$333,603	\$205,294	1.88x	\$30,092	1.52x	\$16.73

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 Projection 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 Projection Period. The net surplus is projected to range between \$74.0 million and \$93.7 million, based on projected revenues and expenses and the various timing of Debt Service becoming payable.

Exhibit K also presents estimated days cash on hand using the projected year-end balances of the NAE Fund, Operations and Maintenance Reserve Fund, the Renewal and Replacement Fund, and NAE Incentive Fund. As shown, the Authority is projected to remain above its 550 to 650 days cash on hand liquidity range target, as provided in the Authority's debt management policy, during the Projection Period.

Exhibit A**AUTHORITY CAPITAL PROGRAM - PLAN OF FINANCE****NASHVILLE INTERNATIONAL AIRPORT**

(dollars in millions)

(Fiscal Years Ending June 30)

Capital Program/Project	Federal Grants	State Grants	Existing Bond Proceeds	Proposed Series 2026 Senior Bonds	Anticipated Future Bonds (2027)	Anticipated Future Bonds (2029)	CFC	MNAA Funding	TOTAL
<u>BNA Vision</u>									
Total BNA Vision		\$49.4	\$1,406.6				\$6.5	\$14.9	\$1,477.4
<u>New Horizon I</u>									
Concourse D Extension		\$37.5	\$147.9	\$57.0					\$242.4
Concourse A Reconstruction				442.7	\$275.0	\$121.5			839.2
Baggage Handling System Upgrades			22.2	67.1	43.2	31.1		\$75.0	238.5
Central Ramp Expansion		49.5		131.2	58.9				239.6
Art Allowance, Contingency, and Other Soft Cofts			29.3		3.5	27.4			60.2
Total New Horizon I	\$0.0	\$87.0	\$199.4	\$698.0	\$380.7	\$179.9	\$0.0	\$75.0	\$1,620.0
<u>New Horizon II</u>									
TARI - Phase 2 and 3	\$40.5	\$39.8	\$2.4	\$100.0	\$34.2	\$81.2			\$298.1
Parking Garage D					308.0				308.0
Employee Surface Lot				94.4					94.4
CONRAC							\$560.4		560.4
Art Allowance, Contingency, and Other Soft Cofts						42.6	34.0		76.6
Total New Horizon II	\$40.5	\$39.8	\$2.4	\$194.4	\$342.2	\$123.8	\$594.4	\$0.0	\$1,337.5
<u>CIP Projects</u>									
Concourse Upgrades			\$19.7	\$16.7					\$36.4
Runway & Taxiway Safety Area Improvements	\$15.0			37.8	\$10.0	\$10.0			72.8
Taxiway Reconstruction Projects				19.0	37.0	50.0			106.0
Terminal Ramp Reconstruction Projects				30.0		20.0			50.0
Terminal Offices				10.0					10.0
Wildlife Fencing				20.0					20.0
Facility Relocations - MNAA Campus						83.7		\$193.6	277.3
Other CIP Projects (FY 2026 - FY 2032) ¹								355.1	355.1
Total CIP Projects	\$15.0	\$0.0	\$19.7	\$133.5	\$47.0	\$163.7	\$0.0	\$548.7	\$927.6
TOTAL AUTHORITY CAPITAL PROGRAM	\$55.5	\$176.2	\$1,628.1	\$1,025.9	\$769.9	\$467.4	\$600.9	\$638.6	\$5,362.4

Note: Amounts may not add due to rounding.

¹ Includes projects included in the Authority's 2026-2030 CIP plus other assumed expenditures in FY 2031 and FY 2032.

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)

	Projected						
	2026	2027	2028	2029	2030	2031	2032
Senior Lien Debt Service							
Outstanding Senior Lien Bonds	\$56,793	\$56,785	\$56,787	\$56,776	\$56,779	\$56,783	\$56,779
Proposed Series 2026 Senior Bonds	4,717	16,910	27,175	81,166	81,885	81,877	81,874
Future Bonds (2027)	0	0	12,787	52,325	65,678	65,692	65,690
Future Bonds (2029)	0	0	0	0	32,476	37,180	37,188
Less: PFCs Applied to Debt Service	(9,921)	(9,922)	(9,922)	(31,064)	(32,760)	(34,483)	(36,238)
Net Senior Debt Service	\$51,588	\$63,773	\$86,827	\$159,203	\$204,059	\$207,048	\$205,294
Senior Net Debt Service by Cost Center							
Airfield	\$5,606	\$8,794	\$21,647	\$29,750	\$33,586	\$36,763	\$36,761
Terminal Building	26,649	29,471	29,988	67,129	88,071	86,347	84,584
Terminal Ramp	1,587	1,586	1,586	1,586	1,992	3,263	3,264
Baggage System	1,962	1,961	1,961	9,530	14,271	14,271	14,273
Passenger Loading Bridges	543	542	542	542	1,824	1,824	1,824
Authority	15,242	21,418	31,101	50,666	64,315	64,580	64,587
Net Senior Debt Service	\$51,588	\$63,773	\$86,827	\$159,203	\$204,059	\$207,048	\$205,294
Subordinate Debt Service							
Outstanding Subordinate Bonds	\$55,245	\$55,243	\$55,238	\$55,233	\$55,247	\$55,232	\$55,243
Less: PFCs Applied to Debt Service	(25,013)	(25,152)	(25,151)	(25,149)	(25,151)	(25,148)	(25,151)
Subordinate Net Debt Service	\$30,232	\$30,091	\$30,087	\$30,084	\$30,095	\$30,084	\$30,092
Subordinate Net Debt Service by Cost Center							
Airfield	\$3,347	\$3,233	\$3,232	\$3,232	\$3,234	\$3,232	\$3,233
Terminal Building	12,944	12,985	12,984	12,983	12,984	12,982	12,984
Terminal Ramp	1,195	1,199	1,198	1,198	1,199	1,198	1,198
Baggage System	0	0	0	0	0	0	0
Passenger Loading Bridges	0	0	0	0	0	0	0
Other	12,747	12,675	12,672	12,671	12,679	12,671	12,676
Subordinate Net Debt Service	\$30,232	\$30,091	\$30,087	\$30,084	\$30,095	\$30,084	\$30,092

Note: Amounts may not add due to rounding.

Source: Metropolitan Nashville Airport Authority (Outstanding), PFM Financial Advisors LLC (Series 2026), Landrum & Brown, Inc.

Exhibit C**OPERATION AND MAINTENANCE EXPENSES****NASHVILLE INTERNATIONAL AIRPORT**

(dollars in thousands)

(Fiscal Years Ending June 30)

	Budget		Projected					2026-2032
	2026	2027	2028	2029	2030	2031	2032	CAGR
<u>By Category</u>								
Personnel	\$72,544	\$75,446	\$78,725	\$83,809	\$87,161	\$90,647	\$94,273	4.5%
Purchased Services	91,412	94,152	97,007	107,353	110,570	113,884	117,298	4.2%
Utilities	10,394	10,757	11,132	11,652	12,058	12,478	12,913	3.7%
Materials & Supplies	9,125	9,490	9,869	10,296	10,708	11,136	11,581	4.1%
Insurance	5,925	6,398	6,910	7,465	8,062	8,707	9,403	8.0%
Other	3,193	3,281	3,371	3,464	3,559	3,656	3,756	2.7%
Total Airport System O&M Expenses ¹	\$192,594	\$199,524	\$207,014	\$224,039	\$232,118	\$240,509	\$249,224	4.4%
<u>By Cost Center</u>								
Airfield	\$27,553	\$28,614	\$29,701	\$30,313	\$31,487	\$32,708	\$33,979	3.6%
Terminal	84,594	87,721	90,913	101,591	105,341	109,238	113,289	5.0%
Terminal Ramp	4,059	4,224	4,808	4,917	5,117	5,326	5,544	5.3%
Baggage System	4,540	4,687	4,838	4,994	5,156	5,322	5,494	3.2%
Passenger Loading Bridges	3,091	3,192	3,297	3,405	3,517	3,633	3,752	3.3%
Other (includes JWN, excludes MPC)	68,757	71,086	73,456	78,818	81,501	84,282	87,165	4.0%
Total Airport System O&M Expenses ¹	\$192,594	\$199,524	\$207,014	\$224,039	\$232,118	\$240,509	\$249,224	4.4%

Note: Amounts may not add due to rounding.

¹ Excludes expenses related to the MNA Properties Corporation (MPC).

Source: Metropolitan Nashville Airport Authority (Budget); Landrum and Brown, Inc. (Projected)

Exhibit D**NON-AIRLINE REVENUE****NASHVILLE INTERNATIONAL AIRPORT**

(dollars in thousands)

(Fiscal Years Ending June 30)

	Budget	Projected						2026-2032
	2026	2027	2028	2029	2030	2031	2032	CAGR
<u>Non-Airline Revenue</u>								
Parking	\$115,135	\$117,056	\$122,366	\$135,540	\$144,191	\$153,175	\$162,539	5.9%
Car Rental	28,100	28,537	28,980	29,431	34,003	35,605	37,272	4.8%
Ground Transportation	22,071	23,181	24,328	25,513	26,738	28,005	29,323	4.8%
In-Terminal Concessions	26,301	27,556	28,853	33,658	37,801	39,529	41,326	7.8%
Other Buildings and Areas	18,268	19,736	20,347	20,976	21,699	22,367	23,054	4.0%
Other Miscellaneous	28,825	29,383	29,938	30,504	31,080	31,667	32,266	1.9%
Total Non-Airline Revenue ¹	\$238,701	\$245,449	\$254,813	\$275,622	\$295,512	\$310,349	\$325,780	5.3%

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. (Projected)

Exhibit E**PFC REVENUE****NASHVILLE INTERNATIONAL AIRPORT**

(dollars in thousands, except rates)

(Fiscal Years Ending June 30)

	Budget		Projected				
	2026	2027	2028	2029	2030	2031	2032
<u>PFC Collections</u>							
Enplaned Passengers (000s)	12,509	12,949	13,394	13,844	14,299	14,760	15,231
% Enplaned Passengers paying PFCs	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%
PFC Enplaned Passengers	10,633	11,007	11,385	11,767	12,154	12,546	12,946
PFC Rate	\$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
Adjusted PFC Rate	\$4.39	\$4.39	\$4.39	\$4.39	\$4.39	\$4.39	\$4.39
PFC Collections	\$46,677	\$48,319	\$49,980	\$51,659	\$53,357	\$55,077	\$56,834
PFC Interest Earnings	0	4,065	4,386	4,554	4,554	4,554	4,554
Total PFC Revenue	\$46,677	\$52,384	\$54,365	\$56,213	\$57,911	\$59,631	\$61,389
<u>PFCs Applied to Debt Service</u>							
PFCs Applied to Senior Debt Service	\$9,921	\$9,922	\$9,922	\$31,064	\$32,760	\$34,483	\$36,238
PFCs Applied to Subordinate Debt Service	25,013	25,152	25,151	25,149	25,151	25,148	25,151
Total PFCs Applied to Debt Service	\$34,934	\$35,075	\$35,073	\$56,213	\$57,911	\$59,631	\$61,389

Note: Amounts may not add due to rounding.

Source: Metropolitan Nashville Airport Authority (Budget); Landrum and Brown, Inc. (Projected)

Exhibit F**LANDING FEE CALCULATION****NASHVILLE INTERNATIONAL AIRPORT**

(Fiscal Years Ending June 30)

	Budget		Projected				
	2026	2027	2028	2029	2030	2031	2032
Airfield Requirement							
Airfield O&M Expenses	\$27,553	\$28,614	\$29,701	\$30,313	\$31,487	\$32,708	\$33,979
Airline Facilities Investment - Airfield	15,612	17,187	18,046	18,948	19,896	20,891	21,935
Net Senior Lien Airfield Debt Service ¹	5,255	8,794	21,647	29,750	33,586	36,763	36,761
Airfield Senior Lien Debt Service Coverage	421	885	3,213	2,026	959	794	(0)
Subordinate Lien Airfield Debt Service	3,347	3,233	3,232	3,232	3,234	3,232	3,233
Airfield Subordinate Lien Debt Service Coverage	(4)	(11)	(0)	(0)	0	(0)	0
Reliever Airport Deficit Contribution	530	546	563	580	597	615	633
O&M Reserve Fund	672	709	269	576	274	285	297
Renewal and Replacement Fund	179	179	0	0	0	0	0
Total Airfield Requirement	\$53,565	\$60,135	\$76,670	\$85,425	\$90,032	\$95,287	\$96,839
Less: Airfield Non-Airline Revenue	(\$1,951)	(\$2,019)	(\$2,089)	(\$2,159)	(\$2,230)	(\$2,302)	(\$2,375)
Less: Non-Signatory Landing Fees	(3,062)	(3,458)	(4,441)	(4,961)	(5,236)	(5,549)	(5,641)
Net Signatory Airfield Requirement	\$48,553	\$54,658	\$70,141	\$78,304	\$82,567	\$87,436	\$88,823
Landed Weight							
<u>Signatory</u>							
Signatory Passenger Airline Landed Weight	13,818	14,063	14,306	14,548	14,789	15,028	15,269
Cargo Carrier Landed Weight	177	181	185	189	193	197	201
Total Signatory Landed Weight	13,995	14,244	14,491	14,737	14,982	15,225	15,470
Non-Signatory Passenger Carrier Landed Weight	578	590	600	610	620	630	640
Non-Signatory Cargo Landed Weight	128	131	134	137	140	143	146
Landing Fee							
Signatory landing fee rate (per 1,000 pound unit)	\$3.47	\$3.84	\$4.84	\$5.31	\$5.51	\$5.74	\$5.74
Non-Signatory Landing Fee Rate (per 1,000 pound unit)	\$4.34	\$4.80	\$6.05	\$6.64	\$6.89	\$7.18	\$7.18
Landing Fee Revenues	\$51,615	\$58,116	\$74,582	\$83,266	\$87,803	\$92,986	\$94,464

Note: Amounts may not add due to rounding.

¹ Reflects FY 2026 budget for rate calculation purposes, which differs from debt service projected in 2026 presented in Exhibit B based on Series 2026 financing assumptions.

Source: Landrum and Brown, Inc.

Exhibit G**TERMINAL RENTAL RATE CALCULATION****NASHVILLE INTERNATIONAL AIRPORT**

(Fiscal Years Ending June 30)

	Budget		Projected				
	2026	2027	2028	2029	2030	2031	2032
<u>Terminal Requirement</u>							
Terminal O&M Expenses	\$84,594	\$87,721	\$90,913	\$101,591	\$105,341	\$109,238	\$113,289
Terminal Amortization	71	424	546	674	808	950	1,098
Net Senior Lien Terminal Debt Service ¹	33,232	29,471	29,988	67,129	88,071	86,347	84,584
Terminal Senior Lien Debt Service Coverage	5,101	(940)	129	9,285	5,236	(431)	(441)
Net Subordinate Lien Terminal Debt Service	12,944	12,985	12,984	12,983	12,984	12,982	12,984
Terminal Subordinate Lien Debt Service Coverage	(0)	(10)	(0)	(1)	1	(1)	1
O&M Reserve Fund	2,066	2,174	822	1,930	917	953	990
Renewal and Replacement Fund	550	550	0	0	0	0	0
Terminal Requirement	\$138,558	\$132,374	\$135,383	\$193,591	\$213,357	\$210,038	\$212,506
Rentable Terminal Space (square feet)	656,592	656,592	656,592	814,677	814,677	814,677	814,677
Average Terminal Rental Rate (per square foot)	\$211.03	\$201.61	\$206.19	\$237.63	\$261.89	\$257.82	\$260.85
<u>Differentiated Signatory Rates (2.5% Sat. Concourse Discount):</u>							
Signatory Terminal Building Rate (per square foot)	\$211.38	\$201.94	\$206.53	\$237.93	\$262.22	\$258.14	\$261.17
Signatory Satellite Concourse Rate (per square foot)	\$206.10	\$196.89	\$201.36	\$231.98	\$255.66	\$251.69	\$254.64
<u>Terminal Rental Revenue</u>							
Terminal Building airline leased space (excluding Joint Use)	261,235	269,814	269,814	359,179	359,179	359,179	359,179
Satellite Concourse airline leased space (excluding Joint Use)	18,824	18,824	18,824	18,824	18,824	18,824	18,824
Airline Terminal Rental Revenue ²	\$59,353	\$58,694	\$60,022	\$90,370	\$99,570	\$98,026	\$99,174

Note: Amounts may not add due to rounding.

¹ Reflects FY 2026 budget for rate calculation purposes, which differs from debt service projected in 2026 presented in Exhibit B based on Series 2026 financing assumptions.² Includes unimproved space rents and non-signatory office space rents.

Source: Landrum and Brown, Inc.

Exhibit H**TERMINAL RAMP AREA RATE CALCULATION****NASHVILLE INTERNATIONAL AIRPORT**

(Fiscal Years Ending June 30)

	Budget		Projected				
	2026	2027	2028	2029	2030	2031	2032
<u>Terminal Ramp Area Requirement</u>							
Terminal Ramp Area O&M Expenses	\$4,059	\$4,224	\$4,808	\$4,917	\$5,117	\$5,326	\$5,544
Terminal Ramp Area Amortization	26	54	73	94	116	138	162
Net Senior Lien Terminal Ramp Area Debt Service ¹	1,662	1,586	1,586	1,586	1,992	3,263	3,264
Terminal Ramp Area Senior Lien Debt Service Coverage	93	(19)	0	(0)	101	318	0
Net Subordinate Lien Terminal Ramp Area Debt Service	1,195	1,199	1,198	1,198	1,199	1,198	1,198
Terminal Ramp Area Subordinate Lien Debt Service Coverage	4	0	(0)	(0)	0	(0)	0
O&M Reserve Fund	99	105	43	93	45	46	48
Renewal and Replacement Fund	26	26	0	0	0	0	0
Terminal Requirement	\$7,164	\$7,175	\$7,710	\$7,889	\$8,569	\$10,289	\$10,217
Rentable Terminal Ramp Area (square feet)	1,679,743	1,679,743	1,679,743	2,206,638	2,206,638	2,206,638	2,206,638
Terminal Ramp Area Rate (per square foot)	\$4.26	\$4.27	\$4.59	\$3.58	\$3.88	\$4.66	\$4.63
<u>Terminal Ramp Area Rental Revenue</u>							
Airline Leased Terminal Ramp Area space (square feet)	1,381,265	1,384,882	1,384,882	1,610,193	1,610,193	1,610,193	1,610,193
Airline Terminal Ramp Area Revenue ²	\$5,910	\$5,934	\$6,375	\$5,775	\$6,271	\$7,527	\$7,474

Note: Amounts may not add due to rounding.

¹ Reflects FY 2026 budget for rate calculation purposes, which differs from debt service projected in 2026 presented in Exhibit B based on Series 2026 financing assumptions.² Includes Terminal Ramp Area parking fees.

Source: Landrum and Brown, Inc.

Exhibit I**AIRLINE COST PER ENPLANEMENT**

(dollars in thousands, except rates)

(Fiscal Years Ending June 30)

NASHVILLE INTERNATIONAL AIRPORT

	Budget		Projected				
	2026	2027	2028	2029	2030	2031	2032
Airline Cost per Enplanement							
Passenger Airline Landing Fee Revenue	\$50,446	\$56,793	\$72,876	\$81,352	\$85,775	\$90,828	\$92,262
Terminal Rentals	59,353	58,694	60,022	90,370	99,570	98,026	99,174
Terminal Ramp Area Fees	5,910	5,934	6,375	5,775	6,271	7,527	7,474
Baggage System Fees	24,699	24,054	24,493	36,598	49,080	47,740	48,170
Passenger Loading Bridge Fees	3,167	3,168	3,212	3,489	4,950	4,773	4,878
Per Use Fees	3,576	8,044	9,339	7,891	9,227	9,233	9,478
Less: Revenue Sharing	(10,667)	(9,183)	(8,192)	(6,336)	(4,932)	(5,565)	(6,591)
Total Passenger Airline Revenue (Net of Revenue Sharing)	\$136,484	\$147,504	\$168,126	\$219,138	\$249,942	\$252,561	\$254,845
Enplaned Passengers	12,509	12,949	13,394	13,844	14,299	14,760	15,231
Airline Cost per Enplaned Passenger	\$10.91	\$11.39	\$12.55	\$15.83	\$17.48	\$17.11	\$16.73
Airline Cost per Enplaned Passenger (2026 dollars) ¹	\$10.91	\$11.06	\$11.83	\$14.49	\$15.53	\$14.76	\$14.01

Note: Amounts may not add due to rounding.

¹ Assumes inflation rate of 3%.

Source: Metropolitan Nashville Airport Authority (Budget); Landrum and Brown, Inc. (Projected)

Exhibit J**NET REVENUE AND DEBT SERVICE COVERAGE****NASHVILLE INTERNATIONAL AIRPORT**

(dollars in thousands, except rates)

(Fiscal Years Ending June 30)

	Projected						
	2026	2027	2028	2029	2030	2031	2032
Total Operating Revenues	\$376,353	\$394,276	\$424,644	\$496,675	\$547,482	\$565,068	\$582,827
LESS: O&M Expenses	(\$192,594)	(\$199,524)	(\$207,014)	(\$224,039)	(\$232,118)	(\$240,509)	(\$249,224)
Net Revenue	\$183,759	\$194,752	\$217,631	\$272,636	\$315,364	\$324,559	\$333,603
Plus: Other Available Funds for Senior Debt Service Coverage ¹	\$12,897	\$15,943	\$21,707	\$39,801	\$51,015	\$51,762	\$51,323
Funds Available for Senior Debt Service Coverage	\$196,656	\$210,695	\$239,337	\$312,437	\$366,379	\$376,321	\$384,927
Other Available Funds for Senior and Subordinate Debt Service Coverage ²	\$8,182	\$9,386	\$11,691	\$18,929	\$23,415	\$23,713	\$23,539
Funds Available for Senior and Subordinate Debt Service Coverage	\$191,941	\$204,138	\$229,322	\$291,565	\$338,779	\$348,272	\$357,142
Senior Lien Debt Service (Net of PFCs)	\$51,588	\$63,773	\$86,827	\$159,203	\$204,059	\$207,048	\$205,294
Subordinate Lien Debt Service (Net of PFCs)	30,232	30,091	30,087	30,084	30,095	30,084	30,092
Total Net Debt Service	\$81,820	\$93,864	\$116,913	\$189,287	\$234,154	\$237,132	\$235,386
Senior Lien Debt Service Coverage (Net Revenue and Other Available Funds)	3.81	3.30	2.76	1.96	1.80	1.82	1.88
Senior Lien Debt Service Coverage (Net Revenue)	3.56	3.05	2.51	1.71	1.55	1.57	1.63
Senior and Subordinate Debt Service Coverage (Net Revenue and Other Available Funds)	2.35	2.17	1.96	1.54	1.45	1.47	1.52
Senior and Subordinate Debt Service Coverage (Net Revenue)	2.25	2.07	1.86	1.44	1.35	1.37	1.42

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. (Projected)

Exhibit K**APPLICATION OF REVENUE****NASHVILLE INTERNATIONAL AIRPORT**

(dollars in thousands)

(Fiscal Years Ending June 30)

	Projected						
	2026	2027	2028	2029	2030	2031	2032
Total Revenue	\$376,353	\$394,276	\$424,644	\$496,675	\$547,482	\$565,068	\$582,827
Application of Revenue							
1 - Operating Fund for payment of Operating Expenses	\$192,594	\$199,524	\$207,014	\$224,039	\$232,118	\$240,509	\$249,224
2 - Committee Fee Fund	0	0	0	0	0	0	0
3 - Airport Improvement Principal and Interest Fund Senior Debt Service (net of PFCs)	51,588	63,773	86,827	159,203	204,059	207,048	205,294
4 - Airport Improvement Bond Reserve Fund	0	0	0	0	0	0	0
5 - Support Facility Fund	0	0	0	0	0	0	0
6 - Subordinate Commitment Fee Fund	0	0	0	0	0	0	0
7- Subordinate Principal and Interest Fund Subordinate Debt Service (net of PFCs)	30,232	30,091	30,087	30,084	30,095	30,084	30,092
8 - Subordinate Bond Reserve Fund	0	0	0	0	0	0	0
9 - Subordinate Support Facility Fund	0	0	0	0	0	0	0
10 - Other Obligations (includes Note Purchase Agreement)	8,567	5,100	5,100	5,100	5,100	5,100	5,100
11 - Operations and Maintenance Reserve Fund	4,697	4,945	1,872	4,256	2,020	2,098	2,179
12 - Renewal and Replacement Fund	1,250	1,250	0	0	0	0	0
13 - Nashville Airports Experience (NAE) Fund	87,426	89,593	93,745	73,992	74,090	80,230	90,939
Total Application of Revenue	\$376,353	\$394,276	\$424,644	\$496,675	\$547,482	\$565,068	\$582,827
Estimated Days Cash on Hand ¹	983	1,018	858	742	725	738	761

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. (Projected)

[PAGE INTENTIONALLY LEFT BLANK]

APPENDIX B

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024**

[PAGE INTENTIONALLY LEFT BLANK]



Annual
Comprehensive
Financial
Report

*For the fiscal years ended
June 30, 2025 and 2024*

BNA Nashville
International
Airport

A component unit of the Metropolitan
Government of Nashville and Davidson
County • Nashville, Tennessee

Diagram labels: D11, OUTDOOR TERRACE, D10, D9, D8, CONCESSIONS, RESTROOMS, FUTURE CONCESSIONS FOOD & BEV, CONCESSIONS FOOD & BEV.

Metropolitan Nashville Airport Authority

A Component Unit of The Metropolitan Government of Nashville and Davidson County

Nashville, Tennessee

Annual Comprehensive Financial Report

For the Years Ended June 30, 2025 and 2024

Prepared by:

The Finance Department

Metropolitan Nashville Airport Authority
Table of Contents

Introductory Section:

Letter of Transmittal	6-17
Board of Commissioners, Executive Staff, and Senior Staff.....	18
Organization Chart	19
Certificate of Achievement for Excellence in Financial Reporting	20

Financial Section:

Independent Auditors' Report	22-24
Management's Discussion and Analysis.....	25-33

Financial Statements as of and for the Years Ended June 30, 2025 and 2024:

Statements of Net Position	34-35
Statements of Revenues, Expenses, and Changes in Net Position	36
Statements of Cash Flows	37-38
Statements of Fiduciary Net Position	39-40
Statements of Changes in Fiduciary Net Position	41-42
Notes to the Financial Statements	43-89

Required Supplementary Information:

Schedule of Changes in Net Pension Liability	92
Schedule of Pension Contributions	93
Schedule of Investment Returns for Pension	94
Schedule of Changes in Net OPEB Liability	95
Schedule of OPEB Contributions.....	96
Schedule of Investment Returns for OPEB.....	97

Supplementary Information:

Combining Schedule of Net Position Information by Entity	100-101
Combining Schedule of Revenues, Expenses, and Changes in Net Position Information by Entity.....	102
Combining Schedule of Fiduciary Net Position Information by Entity.....	103
Combining Schedule of Changes Fiduciary Net Position Information by Entity	104
Schedule of Airport Revenue Bonds, Principal, and Interest Requirements by Fiscal Year	106-107
Schedule of Changes in Long-term Debt by Individual Issue	108

Statistical Section:

Airport-specific Statistics:

Change in Net Position	110
Cost per Enplaned Passenger (CPEP).....	111
Operating Revenue Analysis	112

Metropolitan Nashville Airport Authority
Table of Contents

Public Parking Analysis.....	112
Capital Assets	111
Ratios of Outstanding Revenue Bonds as a Percentage of	
Total Revenue Bond Debt	111
Net Position.....	112
Revenue Coverage Analysis.....	115
Passenger Enplanements Market Share	116
Airline Landed Weights Market Share	117
Airport Tenants.....	118
Staffing – Full-time Equivalents	119
Local Economy Statistics:	
Unemployment Analysis.....	119
Population Analysis.....	119
Nashville Area Top 25 Employers.....	120
Middle Tennessee Largest 25 Public Companies	120
Annual Disclosure Report:	
Introduction:	
General.....	122
Miscellaneous; Forward-Looking Statements	122-123
Senior Bonds	
Outstanding Senior Bonds	124
Enplaned Passenger Traffic.....	124-125
Enplaned Passenger Market Share	126-127
Landed Weight	128-129
Aircraft Activity	130-132
Schedule of Revenues, Expenses, and Changes in Net Position	132-133
Historical Debt Service Coverage	134
Airlines Serving the Airport	135
Enplaned Passenger Traffic.....	135-136
Subordinate Bonds	
Airlines Serving the Airport	137
Enplaned Passenger Traffic.....	137
Enplaned Passenger Market Share	137
Landed Weight	137
Schedule of Revenues, Expenses, and Changes in Net Position	137
Historical Debt Service Coverage	137

Metropolitan Nashville Airport Authority
Table of Contents

Compliance Section:

Passenger Facility Charges:

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	140-141
Report on Compliance for the Passenger Facility Charge Program and Report on Internal Control Over Compliance Required by the Passenger Facility Charge Audit Guide for Public Agencies and 14 CFR 158.63	142-144
Schedule of Collections and Expenditures of Passenger Facility Charges For the Year Ended June 30, 2025.....	145-148
Notes to Schedule of Collections and Expenditures of Passenger Facility Charges	149

**Metropolitan Nashville Airport Authority
Introductory Section**

This section contains the following subsections:

Letter of Transmittal

Board of Commissioners, Executive Staff, and Senior Staff

Organization Chart

Certificate of Achievement for Excellence in Financial Reporting

Metropolitan Nashville Airport Authority
Letter of Transmittal



November 13, 2025

To the Board of Commissioners of the Metropolitan Nashville Airport Authority and Nashville citizens,

The Annual Comprehensive Financial Report ("ACFR") of the Metropolitan Nashville Airport Authority ("the Authority" or "MNA") as of and for the fiscal years ended June 30, 2025 and 2024, 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 accounting principles generally accepted in the United States of America ("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 22-24 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 years ended June 30, 2025 and 2024 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.

Metropolitan Nashville Airport Authority Letter of Transmittal

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 with 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's 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 supplementary 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.

Annual Disclosure Report – The annual 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 ("FAA") requirements applicable to the Passenger Facility Charge ("PFC") 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 as of June 30, 2025.

As of June 30, 2025 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. 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

Metropolitan Nashville Airport Authority Letter of Transmittal

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 474 positions for fiscal year 2025. Authority staff are 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”). During fiscal year 2024, the Authority entered into a new Signatory Airline Use and Lease Agreement with an eight-year term from July 1, 2023 to June 30, 2031. The Agreement contains a two-year option to extend through mutual agreement between the Authority and the signatory airlines no less than two years before expiration.

Rates and Charges. The Authority created five airline cost centers for the purpose of accounting for and allocating costs and revenues at the airport to establish rates and charges for use of the airfield, the terminal, the terminal ramp area, baggage handling system and passenger boarding bridges. In addition to the five airline cost centers, the Authority also allocates costs and revenues to three Authority cost centers (parking and ground transportation, other buildings and areas, and the reliever airport) and one indirect cost center (general administration and overhead). A percentage of the Authority’s indirect cost center is allocated to the direct airline cost centers, calculated by all airline and other cost centers. As described below, rate-setting at the airport is “hybrid”. Landing fees are calculated using a residual methodology, the terminal rental rates are calculated using a commercial compensatory methodology, and other rates are calculated using a compensatory methodology. In the airfield cost center, the airlines have the primary responsibility, risk, and benefit from non-airline revenues. In the four other airline cost centers, the Authority and airlines share the responsibility, risk, and benefits.

Majority-in-Interest Approvals Relating to Authority’s Capital Projects. Signatory Airlines have Majority-in-Interest (“MII”) review rights for capital projects in the airfield cost center exceeding \$2.0 million. The form of MII is negative (e.g., the Authority may proceed unless it receives disapproval from the majority). Rolling debt service coverage is incorporated into the rate calculations for all airline cost centers.

The Airline Industry

In 2025, the airline industry was widely predicted to grow, with both revenue and passenger numbers expected to surpass pre-pandemic levels. The journey so far hasn’t been all that smooth as consumer confidence has dipped as recession risks remain elevated, and travel bookings have decreased as a result. However, in the Nashville market (based on publicly available airline schedules), there are currently 8.9 million scheduled departing seats for the months of July 2025 through December 2025, which is an increase of 12.4% from the same months in FY 2025. It was assumed that the large growth in seating would have a negative impact on load factors. Therefore, the Authority expects the load factor for the first half of FY 2026 would be 76.7%, compared to 80.7% for the same period in FY 2025. This would result in 6.8 million enplaned passengers for the first half of FY 2026, a 6.8% increase from the same span of month in FY 2025. Scheduled data for January 2026 through June 2026 are not reliable at this time, but it’s assumed that this level of growth would not be sustainable for the entire year, management continues to monitor economic and airline trends to ensure the financial stability of the Authority.

Metropolitan Nashville Airport Authority Letter of Transmittal

Airport Activity

Nashville International Airport completed another record-breaking year in fiscal year 2025 with 12.4 million enplanements, a 4.7% increase from the previous year's 11.8 million enplanements. Nashville International Airport averages 670 daily airline arrivals and departures to 113 nonstop destinations.

	2025	2024	2023*
Enplanements	12,385,378	11,826,204	10,919,899
% (decrease) increase	4.7	8.3	18.4
Aircraft landed weight (all-000)	14,394,601	13,823,559	12,918,074
% (decrease) increase	4.1	7.0	17.0
Aircraft operations (all)	279,677	274,335	262,783
% (decrease) increase	1.9	4.4	7.4
Load factors	78.5%	78.4%	79.3%
% (decrease) increase	0.1	(1.1)	0.5

*FY 23 enplanements and landed weights were amended down during FY24 due to an error found after they were published.

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 Authority revenue 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 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.

THE 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 34th 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, BNA has limited competition for 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 BNA. 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 medium 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 BNA, with Hartsfield-Jackson Atlanta International Airport (ATL) the nearest at approximately 255 (driving) miles.

In calendar year 2024, BNA ranked 28th nationwide in enplaned passengers with 12,057,435 enplanements, making BNA a large hub airport as classified by the Federal Aviation Administration.

Economy

According to the Nashville Area Chamber of Commerce 2024 Regional Economic Overview “From its world-renowned music scene to the dynamic cultural gems that invite millions of visitors each year, the Nashville-area offers a memorable experience to all its guests and residents. Home to nation-leading healthcare, hospitality, manufacturing, and education powerhouses, Nashville is now one of the nation’s fastest growing economies. Since 1990, more than 543,000 new jobs have been created and 5,200 companies have chosen to expand or relocate operations to the region because Nashville provides access to skilled talent, unmatched livability, and a culture that is defined by creativity and collaboration. The Nashville region is thriving.” Unemployment rates in the Nashville-Davidson-Murfreesboro-Franklin MSA were 3.4 and 3.0 percent as of June 2025 and 2024, respectively.

NASHVILLE HIGHLIGHTS

Nashville often receives honors and rankings within the travel industry. Nashville’s culturally diverse and friendly environment makes it a popular place for conventioners and tourists alike, as well as a great place to work, live and raise a family. A sample of Nashville’s recent accolades follows:

- Nashville topped the list as “Americans’ Favorite City” by YouGov. (July 2025)
- Nashville ranked #13 among “The 15 Best Cities in the U.S.” by Travel + Leisure. (July 2025)
- Nashville was featured in “Here’s Why You Should Visit Nashville in 2025” by National Geographic. (July 2025)

Metropolitan Nashville Airport Authority
Letter of Transmittal

- Nashville was featured in “The Star-spangled Planner: 50 Awesome Reasons to Visit the U.S.A. in 2026” by British Airways High Life Magazine. (July 2025)
- Nashville was featured in “Forget Route 66 and Highway, this is the Greatest Road Trip in America” by The Telegraph (U.K.). (July 2025)
- Nashville was ranked in three categories in “The U.S. Culture Index: America’s Most Cultured Cities” by Holafly. (July 2025)
 - #3 Most Cultured Cities
 - #2 Best Cities for Museums
 - #3 Best Cities for Music Venues
- Nashville was featured in “Happy 4th! Here are the Most Affordable Cities That Celebrate America’s Independence Best”, by Go Banking Rates. (July 2025)
- Nashville named as one of “52 Places to Travel in the U.S. This Year” by Afar. (July 2025)
- Nashville named as “One of the 16 Best Places to Go for the Fourth of July” by U.S. News & World Report. (May 2025)
- Nashville named one of “The 11 Best Places for Women to Travel Solo in the U.S.” by Condé Nast Traveler. (May 2025)
- Nashville was featured as one of “The Great Places to Travel in the U.S. for July 4th Celebrations” by Afar. (May 2025)
- Nashville ranked #3 in “The South’s Best Cities 2024” by Southern Living. (March 2025)
- Nashville ranked #22 in “27 Best Holiday Destinations” in June by Condé Nast Traveler. (January 2025)
- Nashville ranked in two categories on “Best of the Best 2025” by Tripadvisor’s Traveler’s Choice Awards. (January 2025)
 - #6 Top Destinations in the U.S.
 - #7 Best Food Destinations in the U.S.
- Nashville was named as “One of the 10 Destinations to Put on Your Travel Bucket List in 2025” by AAA Club Alliance. (January 2025)
- Nashville is named in “The Top 25 Travel Destinations of 2025” by Daily Mail. (December 2024)
- Nashville was featured in “28 Cities That Go All Out for Christmas in America” by Condé Nast Traveler. (December 2024)
- Nashville named one of “The Best Places in the U.S. to Celebrate New Year’s Eve 2024” by Traveling Lifestyle. (December 2024)
- Nashville ranked in “The Best Places to Go in 2025” by Frommer’s. (December 2024)
- Nashville ranked #65 in “The World’s 100 Best Cities” by World’s Best Cities. (December 2024)
- Nashville recognized as #41 of “The Best Places to Retire in the U.S. in 2025” by U.S. News. (November 2024)

Metropolitan Nashville Airport Authority Letter of Transmittal

- Nashville named one of “The 6 Best Places to spend New Year’s Eve in the U.S.” by The Points Guy. (November 2024)
- Nashville represented four categories in U.S.A. Today’s (October 2024) “10 Best Readers’ Choice Awards”:
 - #1 Best Airport Grab-And-Go Food: 400 Degrees Hot Chicken
 - #1 Best Airport for Shopping: Nashville International Airport (BNA)
 - #2 Best Large Airport: Nashville International Airport (BNA)
 - #3 Best Airport Bar: Tootsie’s Orchid Lounge
- Nashville Nominated as one of “The Best Cities for Vegans & Vegetarians” by Wallet Hub. (September 2024)
- Nashville named one of “The Best Babymoon Destinations in the U.S. for a Pre-baby Vacation” by Timeout. (August 2024)

Nashville Facts are courtesy of the Nashville Convention and Visitors Bureau.

FISCAL YEAR 2025 AWARDS AND RECOGNITION AT BNA

Throughout fiscal year 2025, BNA celebrated numerous achievements, events, and celebrations:

- In June 2025, BNA welcomed 2,426,794 total travelers, the highest number of passengers ever recorded in a single month at the airport.
- June 22, 2025, became the busiest day in BNA’s history, with a staggering 110,000 passengers flowing through the terminal. Of those, 48,039 were screened at security checkpoints — an all-time high for a single day at BNA.
- Unveiled two new international airline partnerships just a week apart—on September 27 and October 4, 2024 — and followed through with the transoceanic flight launches only two days apart: Icelandair on April 10, 2025 and Aer Lingus on April 12, 2025.
- As of June 2025, BNA offers service to 113 nonstop destinations — the most in its history.
- Proudly hosted the 39th Annual Airport Minority Advisory Council (“AMAC”) Airport Diversity Conference, in Nashville, Tennessee.
- BNA was bestowed the following awards:
 - AirHelp Score Report — BNA ranked 6th best airport in the U.S. and 18th globally, reflecting excellence in passenger experience and airport operations.
 - Chairman’s Award: BNA’s President and CEO, Doug Kreulen, received this prestigious accolade at the 39th Annual AMAC Airport Diversity Conference, recognizing leadership and commitment to diversity in aviation.
 - PRSA Nashville Parthenon Awards: The Corporate Communications Team at BNA was recognized for outstanding public relations campaigns that elevated the airport’s brand and community engagement.
 - 2024 IDEAS² Awards: BNA earned distinction from the American Institute of Steel

Metropolitan Nashville Airport Authority Letter of Transmittal

Construction for the innovative design and structural excellence of its Grand Lobby and International Arrivals Facility.

- First Responder of the Year: Officer Michelle Gregory from BNA's Department of Public Safety ("DPS") was named First Responder of the Year by the Donelson-Hermitage Chamber, honoring her bravery and service.
- J.D. Power Airport Satisfaction Ranking: BNA was ranked #5 among large airports in North America in the 2024 J.D. Power rankings for overall customer satisfaction — an incredible milestone that reflects our dedication to providing a world-class experience for every traveler.
- Design-Build Institute of America ("DBIA") — BNA received two prestigious honors for the Grand Lobby and International Arrivals Facility (IAF).
- Award of Excellence in Aviation Projects.
- Best in Virtual Design and Construction.
- AXN Director of the Year: Doug Kreulen honored as AXN Director of the Year in the Large Airports Division at the prestigious Airport Concession Awards.
- Stevie Awards®: MNAA earned Bronze in the Government P.R. category at the 23rd Annual American Business Awards® for the FY 2024 Annual Report Video.
- Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting: MNAA earned its 24th consecutive year of recognition for excellence in financial reporting for the FY 2024 Annual Comprehensive Financial Report.
- Richard A. Griesbach Award for Excellence: BNA wins highest honor at 2025 ACI-NA Excellence in Airport Concessions Awards for most outstanding and innovative airport concessions program in the nation

Among the accolades received and milestones accomplished in Fiscal Year 2025, progress continued on *New Horizon*, the transformative \$3 billion growth and expansion program at BNA. *New Horizon* builds on the success of *BNA Vision*, which wrapped up in February 2024, and marks the next chapter in BNA's ongoing transformation to meet the unprecedented growth of Nashville and travel needs of passengers. Scheduled for completion in 2029, *New Horizon* is essential to enabling BNA's ability to support 40 million annual passengers in the future.

FISCAL YEAR 2026 BUDGET

During fiscal year 2025, Finance began to see a softening in revenue generation, especially in parking revenue. Assuming this will continue into FY26, only a minimal increase to budgeted non-airline revenue was included in the FY26 budget. In addition, Southwest Airlines sent a letter to the CEO in January 2025 requesting that MNAA review O&M expenses and keep cost increases to a reasonable level, especially given the increase in debt service for the new facilities (which is supported by the Airlines). These two items became a driving force during the development of the FY26 budget. With assistance from all Authority departments to reduce excess estimates in the budget, Finance was able to keep the FY26 O&M expense growth to only \$3.1 million, or a minimal 1.6%.

Additionally, in September 2025, the Board of Commissioners approved management's recommendations to reduce the enplanement forecast used for the original FY26 budget of 25,990,000 (4% above the FY25

Metropolitan Nashville Airport Authority Letter of Transmittal

year-end projection), down to 25,026,700 (1% growth), and decreasing both operating revenue and expenses by \$3.5 million. Management will continue to monitor monthly revenue and expense trends to ensure the Authority is responding to changes in consumer demand.

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 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.

Between FY 2012 and FY 2017, annual enplaned passengers at the airport increased by approximately 39%; from approximately 4.9 million to 6.8 million. In response to this growth, the Authority began developing a capital program in 2017 to enhance the capacity of airport facilities and meet the growing demand for airport gates, known as the *BNA Vision* program. During fiscal year 2024, the Authority completed the *BNA Vision* capital program, which was an extensive, multi-phased capital improvement program. *BNA Vision* was a major renovation and expansion project intended to enable BNA to meet future needs.

Specific elements of *BNA Vision 1.0* and *2.0*, totaling approximately \$1.5 billion, include the following:

Terminal Garage 2

A six-story structure to the south of the terminal with approximately 2,200 spaces. Terminal garage 2 opened in December 2018.

Terminal Lobby Renovation and International Arrival Facility (IAF)

The project provides travelers with an expanded and visually pleasing central terminal, a marketplace with exciting dining and shopping options, and a state-of-the-art international arrivals facility which replaced the interim international arrivals facility. The terminal lobby opened January 24, 2023, and the marketplace and IAF opened September 27, 2023.

Concourse D, Terminal Wings, Ticketing and Baggage Claim Expansion

The project revived and expanded BNA's Concourse D and enlarged the existing ticketing lobby and baggage claim. The north and south terminal wing expansion, expanded baggage claim, and Concourse D are now open.

Terminal Garage 1

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.

Donelson Pike Relocation and Terminal Access Roadway Improvements – Phase 1

With mounting traffic and airport utilization, the Donelson Pike Relocation and Terminal Access Roadway Improvements projects are vital to improving access and circulation around BNA. Construction for this project is multi-phased and ongoing.

Metropolitan Nashville Airport Authority Letter of Transmittal

Satellite Concourse

The project produced 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 opened in October 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 an area adjacent to the existing Concourse A to allow for future expansion.

As air traffic continued to increase dramatically during the planning and implementation of the *BNA Vision* program, The Authority began undertaking a new capital initiative, *New Horizon*, which includes additional expansion projects to accommodate future demand beyond what was contemplated when *BNA Vision* program was developed. The total estimated cost of *New Horizon* is approximately \$2.96 billion, and is divided into *New Horizon I*, which comprises airside projects and a total estimated cost of approximately \$1.62 billion, and *New Horizon II*, which comprises landside projects and has an estimated cost of approximately \$1.34 billion. including the following:

New Horizon I:

Concourse D Extension

The project, which opened July 8, 2025, expanded the existing Concourse D (reconstructed under the *BNA Vision* program) from 6 gates to 11 gates, added 8 new concessions locations, a 165-foot-long moving walkway, and a record node at the end of the concourse with an outdoor terrace.

Concourse A Project

The project, expected to open July 2028, provides for the completion demolition of existing Concourse A and the reconstruction of a new 374,000 square foot Concourse A with 16 aircraft gates, new concessions space, a mezzanine level, and outdoor terraces. The Concourse A project also includes 24 additional ticket counters.

Baggage Handling System Improvements

This project, which provides improvements to the existing baggage handling system, is split into phases with full completion by 2029. The improvements are designed to increase the speed of security inspections, sorting, and delivery of baggage to and from aircraft gates and expand the system's size to handle 40 million annual passengers.

Central Ramp Expansion

The project, expected to be completed in 2027 and is required prior to the opening of the new Concourse A, fills approximately 1.1 million cubic yards of airfield to provide 7 remain-overnight aircraft parking and de-icing positions.

New Horizon II:

Terminal Area Roadway Improvements, Phases 2 and 3

These projects are a continuation of roadway improvements being undertaken as part of the *BNA Vision* program to relocate Donelson Pike and improve traffic flow. Elements of this project include the relocation of commercial vehicle pick-up and drop-off locations, lane expansions, and the removal of traffic signals to allow traffic to flow more freely on airport roadways. These roadway improvements include the infrastructure needed to support 40 million annual passengers and are expected to be completed by June 2029. The Authority is remaining in close contact with the Tennessee Department of Transportation as preparations are made to switch drivers to the new Donelson Pike interchange and is providing incentives to the contractor if the project is completed

Metropolitan Nashville Airport Authority

Letter of Transmittal

a year ahead of schedule, which could allow the Authority to complete the terminal roadway improvements ahead of schedule.

The Garage and Rental Car Complex

The project includes the construction of a new Consolidated Rental Car Facility ("CONRAC") and new parking garage (Garage D) on the location of the existing Terminal Lot A surface parking lot. The new CONRAC is expected to provide approximately 4,700 ready/return rental car spaces and related quick turn-around facilities, and Garage D is expected to provide approximately 3,000 public parking spaces. This project also includes the construction of a rental car customer service center, which will relocate the rental car counters from the main terminal building, and a dedicated walkway between the CONRAC and the main terminal building. Upon completion of the project, car rental operations will be relocated from the existing CONRAC to the new CONRAC, and the existing CONRAC will be converted to public parking. The Garage and Rental Car complex is being constructed in such a way that, as future demand dictates, the CONRAC may be expanded into all or portions of Garage D, and those parking spaces may be used for car rental operations.

Northeast Surface Lot

The project includes the construction of a new surface parking lot containing approximately 5,000 parking spaces. The new surface lot is anticipated to be used for airport employee parking, as the existing 2,095-space lot is nearly at capacity and cannot be expanded in its current location. The new surface lot will also be used for valet parking overflow. Upon completion of the Northeast Surface Lot, the existing employee parking lot may be converted to public parking used to accommodate times of peak demand.

The Authority will continue to actively assess and manage its capital needs to determine the necessary modifications to the CIP 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 programs from the Airport and Airway Trust Fund. The AIP also provides both entitlement and discretionary grants 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 airports to impose a PFC on enplaning passengers. In May 1991, the FAA issued 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 \$1.6 billion, 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, 2025, the Authority has received approximately \$593 million of PFC revenue, and interest earnings of approximately \$45 million. The Authority has expended approximately \$426 million on approved projects. The current PFC expiration date is estimated at March 1, 2045.

Metropolitan Nashville Airport Authority
Letter of Transmittal

OTHER INFORMATION

Awards and Achievement

The GFOA awarded the Authority a "Certificate of Achievement" for Excellence in Financial Reporting for its ACFR for the year ended June 30, 2024. This was the twenty-fourth 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 to conform to the Certificate of Achievement program requirements and will submit this 2025 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 executive 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 MNAAP Properties Corporation, 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

**Metropolitan Nashville Airport Authority
Board of Commissioners and Executive Staff**

BOARD OF COMMISSIONERS

Chair

Nancy B. Sullivan, P.E.*

Vice Chair

James W. "Jimmy" Granbery*

Secretary

Andrew W. Byrd

Commissioners

Robert J. "Bobby" Joslin, Jr.

Joycelyn A. Stevenson, Esq.*

Dr. Glenda B. Glover

Glenn E. Farner, Jr.

**Management Committee members - responsible for Audit*

EXECUTIVE STAFF

Douglas E. Kreulen

President & Chief Executive Officer

Margaret M. Basrai

Executive Vice President & Chief Financial Officer

John A. Cooper

Executive Vice President & Chief Administrative Officer

Adam R. Floyd

Executive Vice President & Chief Operating Officer

Eric L. Johnson

Executive Vice President & Chief Revenue Officer

Lisa K. Lankford

Executive Vice President & Chief Strategy Officer

Robert L. Ramsey

Executive Vice President & Chief Development Officer

SENIOR STAFF

Kristy R. Bork

Vice President, Finance

Adam Bouchard

Vice President, Operations

Kristen M. Deuben

Vice President, Deputy CFO

Randy L. Dorsten

Vice President, Human Resources

Traci C. Holton

Vice President, New Horizon

Lisa Leyva

Vice President, Concessions

Carrie R. Logan

Vice President, Authority Counsel

Syed M. Mehdi

Vice President, Airport Planning

Stacey H. Nickens

Vice President, Corporate Communications & Marketing

Joshua A. Powell

Vice President, Airline & Government Relations

Puneet S. Vedi

Vice President, Airport Capital Development

Steven Woods

Vice President, Information Technology

Matthew Earnhardt

Assistant Vice President, Operations

KC Hampton

Assistant Vice President, Information Technology

Roman Kesselman

Assistant Vice President, Real Estate

Theodore G. Morrissey

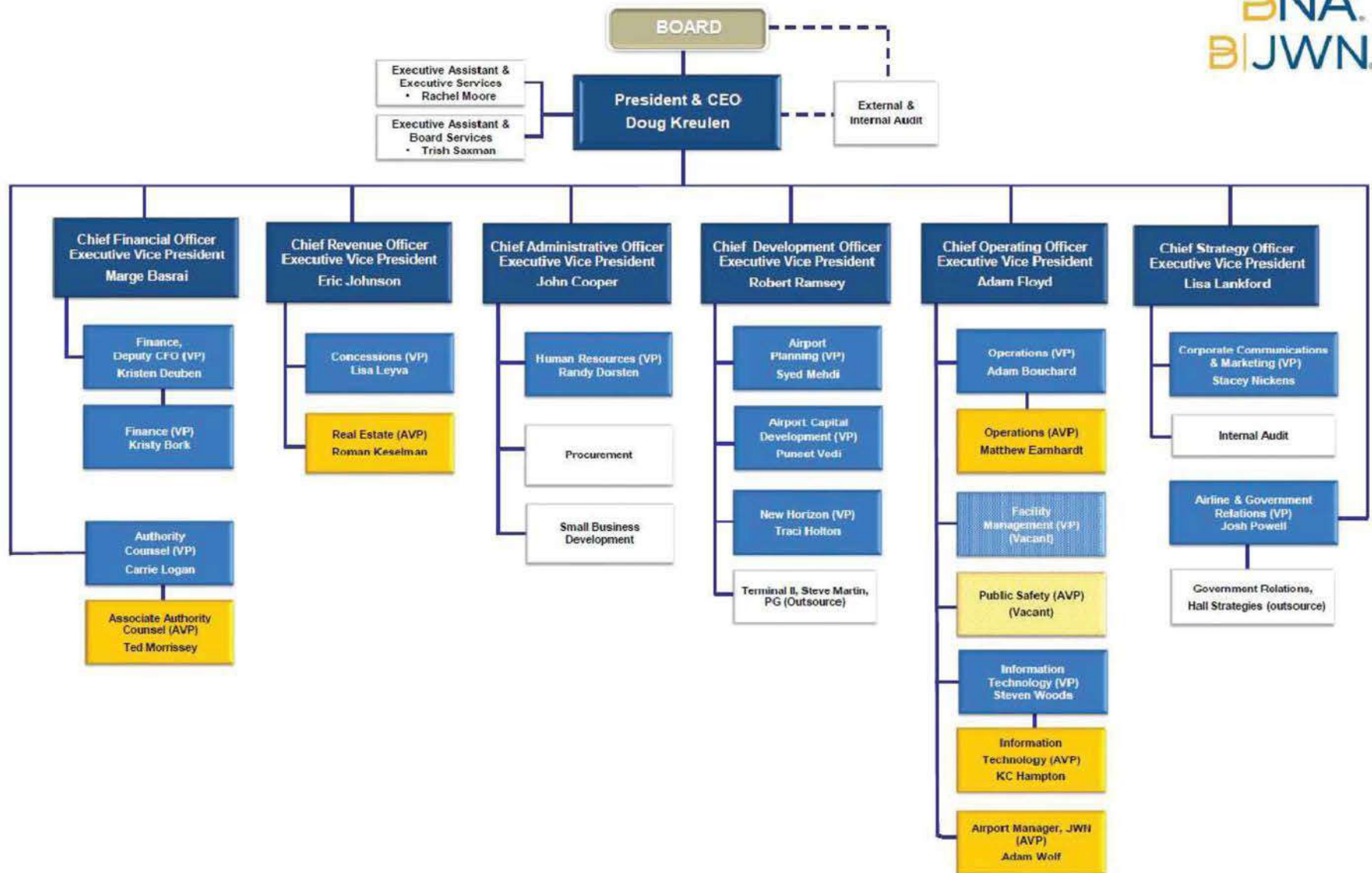
Assistant Vice President, Associate General Counsel

Adam C. Wolf

Assistant Vice President, Airport Manager, JWN

Effective Date: June 30, 2025

**Metropolitan Nashville Airport Authority
Organizational Chart as of June 30, 2025**





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, 2024

This section contains the following subsections:

Independent Auditors' Report

Management's Discussion and Analysis

Financial Statements

Independent Auditor's Report

To the Board of Commissioners
Metropolitan Nashville Airport Authority

Report on the Audits 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 years ended June 30, 2025 and 2024 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, 2025 and 2024 and the changes in its financial position and, where applicable, its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits 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 Audits 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 Audits 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 audits 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.

To the Board of Commissioners
Metropolitan Nashville Airport Authority

In performing audits in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary 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 supplementary 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 audits 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.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information, as identified in the table of contents and the schedule of collections and expenditures of passenger facility charges 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"), is presented for the purpose of additional analysis and is 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 audits 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 supplementary information and the schedule of collections and expenditures of passenger facility charges are fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Board of Commissioners
Metropolitan Nashville Airport Authority

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 audits 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 November 13, 2025 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

November 13, 2025

Metropolitan Nashville Airport Authority Management's Discussion and Analysis (Unaudited)

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 years ended June 30, 2025 and 2024. 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 expenses recognized during the fiscal period; and (c) Statement of Cash Flows, which provides information on all 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 ("GAAP") 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 Airline Agreement also determines the budget and financing methodology which 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 Authority created five airline cost centers for the purpose of accounting for and allocating costs and revenues at the airport to establish rates and charges for use of the airfield, the terminal, the terminal ramp area, baggage handling system and passenger boarding bridges. In addition to the five airline cost centers, the Authority also allocates costs and revenues to three Authority cost centers (parking and ground transportation, other buildings and areas, and the reliever airport) and one indirect cost center (general administration and overhead). A percentage of the Authority's indirect cost center is allocated to the direct airline cost centers, calculated by all airline and other cost centers. As described below, rate-setting at the airport is "hybrid". Landing fees are calculated using a residual methodology, the terminal rental rates are calculated using a commercial compensatory methodology, and other rates are calculated using a compensatory methodology. In the airfield cost center, the airlines have the primary responsibility, risk, and benefit from non-airline revenues. In the four other airline cost centers, the Authority and airlines share the responsibility, risk, and benefits.

More detailed information regarding the Airline Agreement can be found in Note 9 in the Notes to the Financial Statements.

Metropolitan Nashville Airport Authority Management's Discussion and Analysis (Unaudited)

Airport Activity Highlights

Nashville International Airport completed a record-breaking year in fiscal year 2025 with 12.4 million enplanements, a 4.7% increase from the 11.8 million enplanements recorded in fiscal year 2024. Currently, Nashville International Airport averages 670 daily airline arrivals and departures to 113 nonstop destinations.

Construction on the Authority's extensive, multi-phased capital program known as the *BNA Vision* was completed in fiscal year 2024. To continue to support the growth of the Nashville region, the *New Horizon* capital improvement program began in fiscal year 2022, in tandem with the *BNA Vision*. The *New Horizon* program includes expansion of concourses A and D, including additional gates, moving walkways, and new concessions; terminal roadway improvements to ease traffic flow into and out of the airport terminal and parking garages; upgrades to the baggage handling system which will deliver passenger luggage to and from aircraft faster; an expanded central ramp to provide necessary overnight aircraft parking positions and deicing areas; expanded employee parking and valet storage; a bigger and better rental car complex; and conveniently located surface parking. The *New Horizon* projects are expected to be complete in fiscal year 2029 at an expected cost of \$3.0 billion.

The concourse D expansion, substantially completed during fiscal year 2025, was the first completed project in the *New Horizon* program. It subsequently opened to the public on July 8, 2025. The D concourse expansion features five new gates, eight new retail locations, a moving walkway, and an outdoor terrace with views of the airfield and downtown Nashville.

Nashville International Airport was pleased to launch two new transoceanic flights with direct service to Reykjavík, Iceland via Icelandair, and Dublin, Ireland via Aer Lingus.

John C. Tune Airport continued to flourish, maintaining a steady waiting list of individuals and businesses eager to rent hangar space.

The business development organization of the Authority, MPC, continued in 2025 with an occupancy level near 100%.

Metropolitan Nashville Airport Authority
Management's Discussion and Analysis (Unaudited)

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, 2025, 2024, and 2023 is as follows:

	2025 (000s)	2024 (000s)	2023 (000s)
ASSETS			
Current unrestricted assets	\$ 996,464	\$ 848,404	\$ 671,819
Restricted assets	284,878	438,369	628,432
Capital assets, net	2,150,171	1,997,633	1,840,271
Other assets	158,334	153,366	143,355
Total assets	<u>3,589,847</u>	<u>3,437,772</u>	<u>3,283,877</u>
DEFERRED OUTFLOWS	<u>1,096</u>	<u>1,452</u>	<u>5,787</u>
LIABILITIES			
Current liabilities	\$ 109,340	\$ 83,488	\$ 81,743
Noncurrent liabilities	<u>2,038,825</u>	<u>2,014,093</u>	<u>2,020,077</u>
Total liabilities	2,148,165	2,097,581	2,101,820
DEFERRED INFLOWS	135,611	140,967	130,777
NET POSITION			
Net investment in capital assets	150,510	261,220	278,592
Restricted	576,917	494,457	469,822
Unrestricted	<u>579,740</u>	<u>444,999</u>	<u>308,653</u>
Total net position	<u>\$ 1,307,167</u>	<u>\$ 1,200,676</u>	<u>\$ 1,057,067</u>

Current unrestricted assets primarily consist of cash and investments, accounts receivable, short-term lease receivable, and amounts due from other governmental agencies. Between 2025 and 2024, current unrestricted assets increased by \$148.1 million, due to an increase in unrestricted cash and investments (\$153.1 million). The increase of \$153.1 million in unrestricted cash and investments is primarily the result of net cash provided by operating activities of \$154.8 million. Between 2024 and 2023, current unrestricted assets increased by \$176.6 million, due to increases in unrestricted cash and investments (\$160.2 million) and amounts due from governmental agencies (\$17.9 million). The increase of \$160.2 million in unrestricted cash and investments is primarily the result of net cash provided by operating activities of \$132.8 million, and noncapital COVID-19 relief grant receipts of \$32.8 million. The amounts due from governmental agencies increased by \$17.9 million due to grant draws submitted but not received for the D concourse extension and Taxiway Bravo/Kilo intersection projects.

Restricted assets consist of cash and investments and accounts receivable which are primarily restricted for debt service and bonded construction. Restricted assets decreased by \$153.5 million between 2024 and 2025 due to

Metropolitan Nashville Airport Authority Management's Discussion and Analysis (Unaudited)

spending airport revenue bond proceeds on *New Horizon* capital projects. Restricted assets decreased by \$190.1 million between 2023 and 2024 due to spending airport revenue bond proceeds on *BNA Vision* and *New Horizon* capital projects. No new bonds were issued in fiscal years 2025 or 2024.

Net capital assets increased by \$152.5 million in 2025 from 2024 due to the substantial completion of the D concourse extension and continued construction of the terminal area roadway improvements, A concourse site preparation and expansion, baggage handling system improvements, and central ramp expansion. Net capital assets increased by \$157.4 million in 2024 from 2023 due to the completion of the international arrivals facility and satellite concourse, and ongoing construction of D concourse extension, terminal area roadway improvements, A concourse site preparation and expansion, and the Taxiway Bravo/Kilo intersection. 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 2025, other assets increased by \$5.0 million, attributed to an increase in both the net pension asset (\$7.8 million) and the net OPEB asset (\$5.1 million). In the previous year, a net pension liability was reported. Favorable market conditions led to these increases in the pension and OPEB trust assets. These increases in other assets were offset by a decrease in lease receivable (\$7.7 million). The lease receivable decreased as few non-regulated leases were added during fiscal year 2025, and the existing leases continued to amortize. In fiscal year 2024, other assets increased by \$10.0 million, due to the increase in the lease receivable of \$3.7 million, and the increase in the net OPEB asset of \$5.4 million. The lease receivable increased as certain non-regulated leases – such as the lease for the on-site hotel – began during the fiscal year. The OPEB asset changed as more favorable market conditions increased the value of OPEB trust assets.

Deferred outflows of resources represent the consumption of net assets in one period that is applicable to future periods. They are reported separately from assets and consist of deferred amounts on debt refunding.

Current liabilities include accounts payable, payroll-related liabilities, accrued paid time off, and security/performance deposits. Current liabilities increased by \$25.9 million from 2024 to 2025, resulting from an increase in accounts payable (\$23.5 million) and accrued payroll (\$1.3 million). The increase in accounts payable is due to the timing of certain large construction invoice payments. Accrued payroll increased due to the addition of staff and increased employee compensation. Current liabilities remained consistent between 2023 and 2024, increasing by \$1.7 million in 2024. Accrued payroll increased by \$1.1 million in 2024, due to the addition of staff and increased employee compensation, while accounts payable decreased minimally.

Noncurrent liabilities contain accrued interest payable, long-term debt and the net pension liability. Long-term liabilities increased by \$24.7 million in 2025, due to a net increase in long-term debt (\$25.4 million), offset by a decrease in the net pension liability (\$900 thousand). Long-term debt increased due to new draws on the BNA Credit Facility (\$56.3 million), net of principal repayments (\$23.5 million) and bond premium amortization (\$7.5 million). In 2025, a net pension asset was recorded, as opposed to a net pension liability in 2024. Noncurrent liabilities decreased by \$6.0 million in 2024. This was caused by a decrease in accrued interest payable of \$2.3 million as the Authority paid debt principal and did not issue new bonds (see Note 5). Additionally, the net pension liability decreased by \$3.3 million due to favorable market conditions during the year.

Deferred inflows of resources represent an acquisition of net assets that is applicable to future periods. They are recorded separately from liabilities and consist of deferred inflows related to long-term leases, pension, and OPEB.

Metropolitan Nashville Airport Authority
Management's Discussion and Analysis (Unaudited)

Summary of Operations and Changes in Net Position

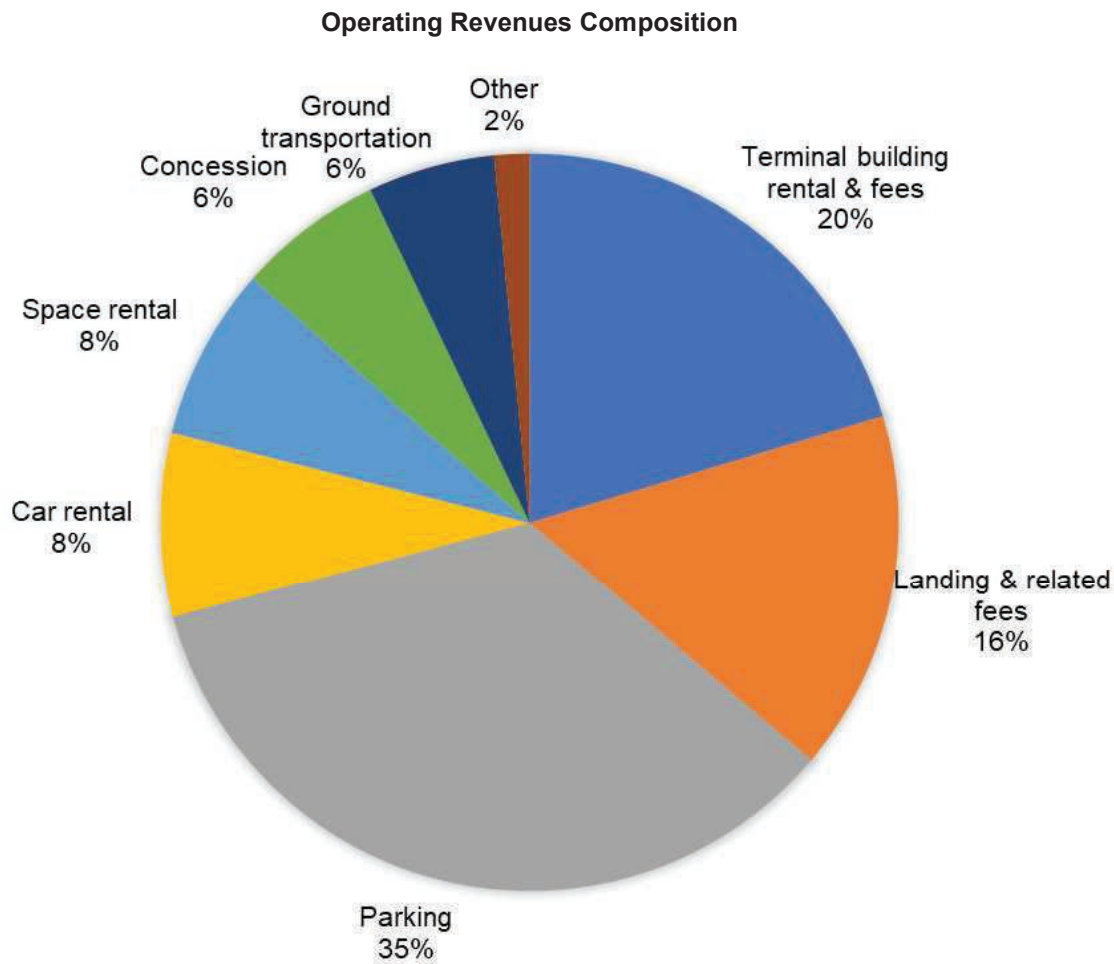
The Statement of Revenues, Expenses and Changes in Net Position presents the operating results of the Authority, as well as the nonoperating revenue and expenses. Operating revenues include terminal building rental and fees, landing fees, parking, car rental, space rental, concession revenue, ground transportation, and other. Nonoperating revenues consist primarily of passenger facility charges (PFC), federal and state grants, customer facility charges (CFC) and interest income. Interest expense and loss on disposal of property, plant, and equipment are the largest nonoperating expenses. A summarized comparison of the Authority's revenues, expenses, and changes in net position for the years ended June 30, 2025, 2024, and 2023 follows:

	<u>2025</u> <u>(000s)</u>	<u>2024</u> <u>(000s)</u>	<u>2023</u> <u>(000s)</u>
Operating revenues:			
Terminal building rental and fees	\$ 66,387	\$ 47,726	\$ 34,898
Landing and related fees	51,726	54,194	32,321
Parking	113,203	111,147	99,244
Car rental	26,356	25,502	24,496
Space rental	24,745	17,395	22,967
Concession	20,849	24,012	18,064
Ground transportation	18,177	16,912	14,961
Other	5,016	5,726	7,651
Operating revenues	<u>326,459</u>	<u>302,614</u>	<u>254,602</u>
Operating expenses:			
Salaries, wages and fringe benefits	51,756	49,830	39,212
Professional and other contractual services	41,786	29,166	26,009
Shuttle bus services	17,206	13,255	7,434
Janitorial services	15,792	15,826	11,857
Parking management	15,137	13,136	12,359
Utilities	11,249	8,779	8,640
Materials and supplies	8,679	9,432	6,631
Repairs and maintenance services	8,100	8,635	4,561
Insurance	5,199	5,319	3,482
Other	5,706	5,662	5,681
Depreciation	<u>141,890</u>	<u>117,554</u>	<u>85,872</u>
Operating expenses	<u>322,500</u>	<u>276,594</u>	<u>211,738</u>
Operating income	3,959	26,020	42,864
Nonoperating revenues (expenses):			
Investment income	62,149	62,088	31,041
Passenger facility charges	46,775	44,734	41,532
Customer facility charges	25,802	17,284	15,494
Federal and state grants	13,437	34,830	29,255
Insurance and other reimbursements	5,699	669	6,215
(Loss) gain on disposal of property and equipment	(4,585)	3,696	3,801
Interest expense	(81,114)	(79,527)	(67,906)
Debt issuance costs	<u>(101)</u>	<u>(8)</u>	<u>(2,639)</u>
	68,062	83,766	56,793
Income before capital contributions	72,021	109,786	99,657
Capital contributions	<u>34,470</u>	<u>33,823</u>	<u>58,983</u>
Increase in net position	106,491	143,609	158,640
Total net position - beginning of year	<u>1,200,676</u>	<u>1,057,067</u>	<u>898,427</u>
Total net position - end of year	<u>\$ 1,307,167</u>	<u>\$ 1,200,676</u>	<u>\$ 1,057,067</u>

**Metropolitan Nashville Airport Authority
Management's Discussion and Analysis (Unaudited)**

Operating Revenues

The chart below illustrates the sources of total operating revenue for the year ended June 30, 2025:



Operating revenues increased in fiscal year 2025 from 2024 by \$23.8 million, and by \$48.0 million in fiscal year 2024 from 2023. Operating revenues include terminal building rental and fees, landing fees, parking, car rental, space rental, concession revenue, and ground transportation revenue, and are offset by in-terminal concession credits.

Terminal building rental and fees include main terminal rent, baggage claim fees, per use fees, and jet bridge rent. Terminal building rental and fees increased between 2024 and 2025 by \$18.7 million, largely driven by an increase in main terminal rent (\$12.3 million) and an increase in baggage claim fees (\$5.1 million). Main terminal rent increased due to realizing a full year of rental income for both the international arrivals facility and satellite concourse (both of which opened in the fall of 2023). The terminal rental rates were also raised from \$173.17 per square foot in 2024 to \$186.82 per square foot in 2025. Baggage claim fees increased as rentable baggage claim space increased by approximately 6,000 square feet during 2025, combined with a rate increase in the per-bag fee from \$2.18 in 2024 to \$3.67 in 2025. Terminal building rental and fees increased in 2024 from 2023 by \$12.8 million. Terminal rental rates were raised from \$116.55 per square foot in 2023 to \$173.17 per square foot in 2024 in accordance with the Airline Use and Lease Agreement, effective July 1, 2023. BNA also opened the satellite concourse (featuring eight gates) and the international arrivals facility (featuring six gates). Rentable baggage claim space increased by approximately 19,400 square feet during 2024. The increased rentable space combined

Metropolitan Nashville Airport Authority Management's Discussion and Analysis (Unaudited)

with the fee increases resulted in a terminal rental revenue increase of \$9.9 million, and a baggage claim revenue increase of \$4.9 million in 2024. For more detailed Airline Use and Lease Agreement information, see Note 9 in the Notes to the Financial Statements.

Landing and related fees include landing fees based on landed weights for commercial and cargo airlines (Signatory and Non-Signatory), ramp fees, and overnight parking charges. In 2025, landing and related fees decreased by \$2.5 million. While overall Signatory Airline landed weights realized an increase of 4%, the landing fee was also reduced from \$3.50 to \$3.38 (per 1,000 pounds of gross landed weight) from 2024 to 2025, leading to a reduction in Signatory Airline landing fees of \$3.3 million. The landing fee was reduced due to the cancellation of certain airfield projects, which the Signatory Airlines had previously been obligated to fund. This decrease was offset by an increase in ramp rent of approximately \$600 thousand, resulting from an increase in rentable ramp square footage of about 200,000 square feet combined with an increase in the ramp rental rate from \$3.56 per square foot in 2024 to \$3.99 per square foot in 2025. The landing fee increased from \$2.06 to \$3.50 from 2023 to 2024; this fee increase, along with an 7% increase in overall landed weights, led to a landing revenue increase of \$21.9 million in 2024. For more detailed Airline Use and Lease Agreement information, see Note 9 in the Notes to the Financial Statements.

A nominal increase of \$2.1 million in parking revenue was realized between 2024 and 2025 due to increased enplanements. Daily parking rates did not increase during 2025. Parking revenue increased in 2024 from 2023 by \$11.9 million due to receiving a full year's revenue from a new parking garage which opened in the final quarter of fiscal year 2023, the continued increase in passenger volume at BNA, and increased parking rates effective in December 2023.

Space rental revenue increased from 2024 to 2025 by \$7.4 million. Other land and building rental rates related to the rental car service sites increased by \$1.3 million due to a fair market evaluation. Additionally, the overall reduction of space rental revenue pertaining to certain lease accounting requirements was \$1.8 million in 2025, versus \$5.8 million in 2024. At John C. Tune Airport, hangar rent increased by \$1.0 million, primarily due to the addition of one new tenant. In the Multi-Purpose Building, space rental revenue increased by \$600 thousand due to increased demand for space by one airline, combined with higher rental rates. Space rental revenue decreased from 2023 to 2024 by \$5.6 million, due to various factors. Adjustments pertaining to certain lease accounting requirements reduced revenue by \$5.8 million. These reductions were offset by new revenue from the onsite hotel, and from renting additional office space and lay-down yard space to airlines. For more detailed lease accounting information, see Note 16 in the Notes to the Financial Statements.

Concessions revenue consists of the food/beverage, retail, and advertising concessions. Concessions revenue realized a net decrease of \$3.2 million. Food and retail concessions decreased by \$5.1 million from 2024 to 2025. While sales per enplanement increased in 2025, this was offset by COVID-19 relief grant credits remitted back to food and retail for concessionaires exceeding \$8 million (\$8 million of concession revenue was reclassified to non-operating revenue). The decrease in food and retail concessions was offset by an increase in advertising revenues (\$1.7 million), resulting from increased advertising rates and an increase in sellable space. Concessions revenue increased from 2023 to 2024 by \$5.9 million, due to increased passenger volume, as well as the addition of new dining and retail concepts in the satellite concourse, the international arrivals facility, and throughout other pre-existing terminal areas.

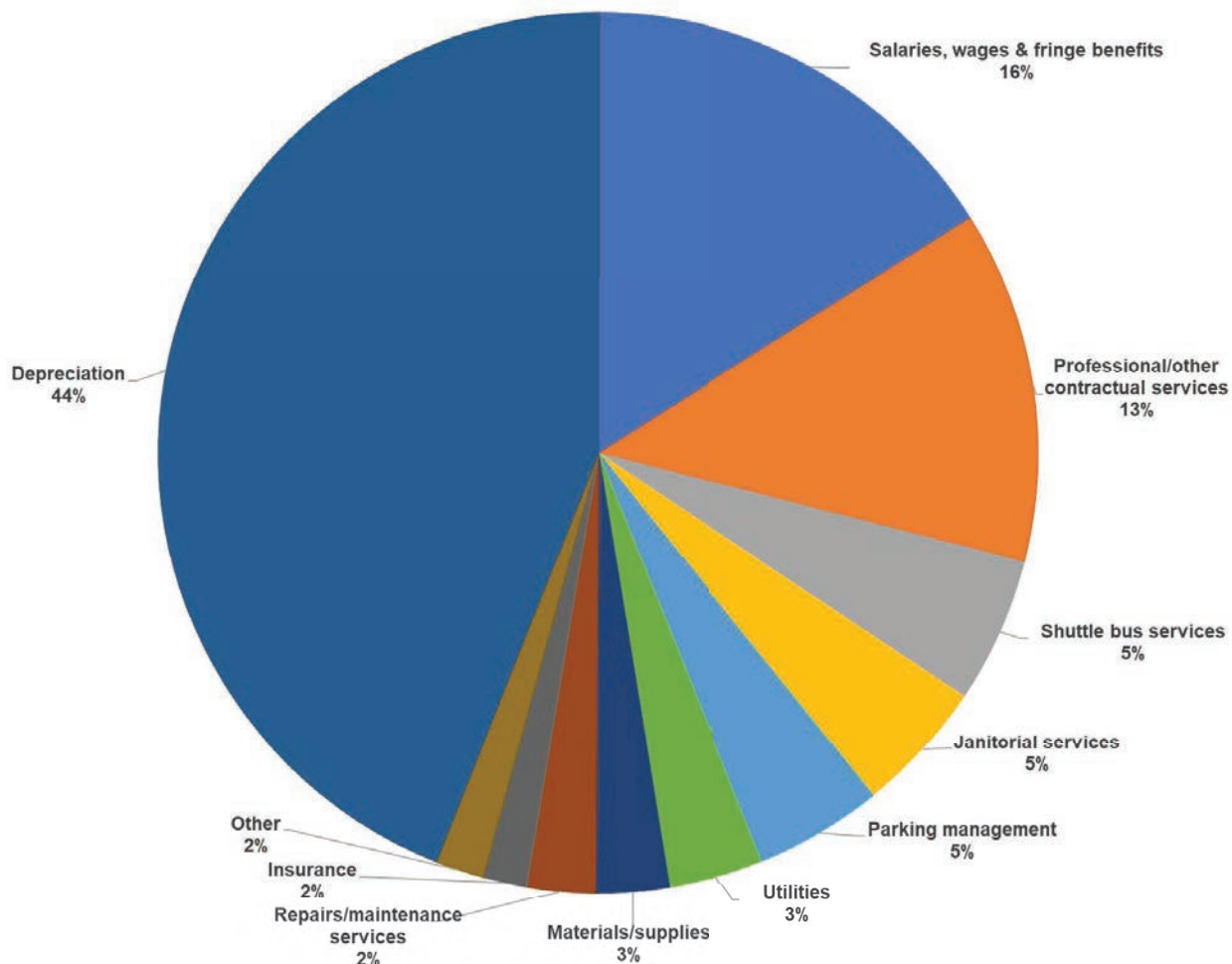
Ground transportation revenue includes Transportation Network Company (TNC) (Uber/Lyft) revenue, taxi cab revenue, and shuttle revenue. Ground transportation revenue increased by \$1.3 million from 2024 to 2025, and \$1.9 million from 2023 to 2024. The increase in both years is attributable to higher passenger volume in both years.

Other revenue includes rebates, fuel flowage fees, reimbursable services, and any additional revenue not included in the categories listed above. Other revenue decreased nominally in fiscal year 2025 (\$700 thousand) and decreased nominally in 2024 (\$1.9 million).

Operating Expenses

The chart below illustrates the sources of total operating expenses for the year ended June 30, 2025:

Operating Expenses Composition



Total operating expenses increased by \$45.9 million between 2024 and 2025. The increase, net of depreciation expense, totaled \$21.6 million. Salaries increased by \$1.9 million as the Authority granted employees a cost-of-living adjustment and added a total of 44 employees from June 30, 2024 to June 30, 2025, which was offset by the reduction in expenses for pension and OPEB requirements being \$6.3 million more in 2025 than in 2024. Professional and other contractual services increased by \$12.6 million due to certain building demolitions (necessary to prepare for airport growth), studies relating to future airport needs, and parking lot and ramp re-striping. Shuttle bus services increased by \$4.0 million due to moving passengers from the main terminal to the satellite concourse for 12 months in 2025, as compared to 8 months in 2024 (the satellite concourse opened in late October, 2023). Additionally, the Authority increased drop-offs to the remote employee parking lot to improve customer service. Parking management expenses (including parking lot operations and parking-related credit card fees) increased by \$2.0 million, resulting from an overall increase in parkers which drove higher parking-related credit card fees, and wage increases granted to the parking lot operator's employees. Utilities increased by \$2.5 million, due to increasing rates in addition to incurring a full year of expenses for the international arrivals facility and satellite concourse, both of which opened in the fall of 2023.

Metropolitan Nashville Airport Authority Management's Discussion and Analysis (Unaudited)

Total operating expenses increased by \$64.9 million between 2023 and 2024. The increase, net of depreciation expense, totaled \$33.2 million. Salaries increased by \$10.6 million as the Authority added a total of 88 employees from June 30, 2023 to June 30, 2024. Employees were also granted cost-of-living adjustments in fiscal year 2024. Professional and other contractual services increased by \$3.2 million, shuttle bus services increased by \$5.8 million, janitorial services increased by \$4.0 million, materials and supplies increased by \$2.8 million, repairs and maintenance increased by \$4.1 million, and insurance increased by \$1.8 million. These increases are attributable to the increase in passenger volume during the year, as well as the added square footage of the satellite concourse and international arrivals facility. The satellite concourse requires additional contracted shuttle bus service, and both new facilities require additional contracted janitorial and security services, and additional insurance.

Due to the growth between fiscal years 2023 and 2024, and 2024 and 2025, the airport incurred more expenses to maintain cleanliness, comfort, safety and security for all passengers.

Nonoperating, Revenues, Expenses, and Contributed Capital

Nonoperating revenues include investment income, passenger facility charges, customer facility charges, noncapital federal and state grants, and insurance reimbursements. Nonoperating revenues decreased by \$5.7 million from fiscal year 2024 to fiscal year 2025. Investment income remained steady during fiscal year 2025, changing minimally. The Authority maintained similar balances in cash, cash equivalents, and investments from 2024 to 2025 and continued to benefit from the strong market climate. Passenger facility charges increased by \$2.0 million, resulting from more passengers traveling in 2025. Customer facility charges increased by \$8.5 million, due to a rate increase from \$4.50 per transaction day, to \$10.00 per transaction day. This change was effective in February 2025. The rate was increased to enhance the financial viability, and provide additional funding, for a new consolidated rental car facility. Insurance and other reimbursements increased by \$5.0 million due to the Authority receiving a large settlement from a party involved in a 2019 incident wherein the Colonial Pipeline was damaged. These increases were offset by a \$21.4 million decrease in nonoperating federal and state grants. In November 2024, the Authority completed its COVID-19 relief grant draws, which were used to offset debt service requirements. Nonoperating revenues increased by \$36.0 million from fiscal year 2023 to fiscal year 2024. Investment income increased by \$31.0 million due to favorable market conditions in 2024; additionally, the Authority earned interest on a full year of the bond funds invested after the November 2022 issuance. Passenger facility charges increased by \$3.2 million, and customer facility charges increased by \$1.8 million, both a direct result of more passengers traveling in 2024. Federal and state grant revenue increased by \$5.6 million as the Authority drew on its COVID-19 relief grants to offset its increasing debt service requirements. Insurance reimbursements decreased by \$5.5 million in fiscal year 2024 after climaxing in fiscal year 2023 due to proceeds received for (1) the tornado which occurred at JWN in 2020, and (2) an incident occurring in 2019 in which the Colonial Pipeline was damaged on BNA property.

Nonoperating expenses include loss on disposal of property and equipment, interest expense, and debt issuance costs. Nonoperating expenses increased by \$10.0 million from fiscal year 2024 to fiscal year 2025. The loss on disposal of property and equipment increased by \$8.3 million. In 2024, a gain on disposal of property and equipment of \$3.7 million was recorded, which was largely the result of two leased hangars reverting from their lessee to the Authority. In 2025, a loss on disposal of property and equipment of \$4.6 million was recorded, which was largely the result of the loss recorded on the A concourse disposal of \$4.2 million. Interest expense increased by \$1.6 million, a result of an increase in net BNA Credit Facility draws of \$42 million. Nonoperating expenses increased by \$9.0 million from fiscal year 2023 to fiscal year 2024. Interest expense increased by \$11.6 million due to paying a full year of interest on bonds issued midway through fiscal year 2023, offset by a decrease in debt issuance costs of \$2.6 million.

Capital contributions increased insignificantly in between 2024 and 2025. Capital contributions decreased between 2023 and 2024 by \$25.1 million, primarily because the Authority received a \$33.1 million grant to construct the satellite concourse, which was completed in October 2023. All revenues related to the grant were recognized in fiscal year 2023.

Metropolitan Nashville Airport Authority
Statements of Net Position
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current assets:		
Unrestricted assets:		
Cash, cash equivalents, and investments	\$ 944,361,907	\$ 791,245,071
Accounts receivable (net of allowance for doubtful accounts of \$520,480 in 2025 and \$359,531 in 2024)	17,151,263	19,078,186
Lease receivable	12,877,861	11,886,049
Due from governmental agencies	21,666,442	24,563,843
Prepaid expenses and other	406,869	1,631,016
Total current unrestricted assets	<u>996,464,342</u>	<u>848,404,165</u>
Restricted assets:		
Cash and investments	284,805,746	438,220,867
Accounts receivable	72,382	148,129
Total restricted assets	<u>284,878,128</u>	<u>438,368,996</u>
Non-current assets:		
Capital assets:		
Capital assets not being depreciated		
Land and nondepreciable assets	111,384,271	113,265,169
Construction in progress	272,054,227	212,924,038
Capital assets being depreciated		
Infrastructure	857,239,366	815,353,882
Buildings and building improvements	1,245,824,188	1,128,498,584
Equipment, furniture, and fixtures	789,699,643	721,348,402
Subscription assets	5,333,709	3,777,401
Total capital assets	3,281,535,404	2,995,167,476
Less accumulated depreciation	<u>(1,131,364,853)</u>	<u>(997,534,239)</u>
Total capital assets, net	2,150,170,551	1,997,633,237
Other assets		
Accounts receivable, net	1,869,833	2,080,000
Lease receivable	125,877,894	133,609,650
Net pension asset	7,801,045	-
Net OPEB asset	22,784,735	17,675,838
Total noncurrent assets	<u>2,593,382,186</u>	<u>2,589,367,721</u>
Total assets	<u>\$ 3,589,846,528</u>	<u>\$ 3,437,771,886</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on refunding	\$ 1,096,155	\$ 1,451,665
Total deferred outflows of resources	<u>\$ 1,096,155</u>	<u>\$ 1,451,665</u>

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Statements of Net Position
June 30, 2025 and 2024

	2025	2024
LIABILITIES		
Current liabilities:		
Payable from unrestricted assets:		
Accounts payable	\$ 93,925,144	\$ 70,392,785
Accrued payroll and related items	10,303,182	9,031,736
Advanced billings and payments received in advance	3,554,694	2,708,190
Subscription lease liability	886,010	912,264
Current maturities of notes payable	314,904	309,136
Accrued interest payable	355,572	133,576
Total current liabilities	<u>109,339,506</u>	<u>83,487,687</u>
Noncurrent liabilities:		
Payable from restricted assets:		
Accrued interest payable	42,615,060	42,806,010
Current maturities of airport revenue bonds	20,188,000	38,999,862
Unearned revenue from seized funds	950,882	986,084
Notes payable, less current maturities	1,664,871	1,979,775
Subscription lease liability	1,160,593	653,894
Net pension liability	-	929,976
Airport revenue bonds, less current maturities	1,972,245,643	1,927,737,076
Total noncurrent liabilities	<u>2,038,825,049</u>	<u>2,014,092,677</u>
Total liabilities	<u>\$ 2,148,164,555</u>	<u>\$ 2,097,580,364</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows from leases	\$ 131,034,074	\$ 139,677,802
Deferred inflows from pension	2,710,618	211,306
Deferred inflows from OPEB	1,866,487	1,078,412
Total deferred inflows of resources	<u>135,611,179</u>	<u>\$ 140,967,520</u>
NET POSITION		
Net investment in capital assets	\$ 150,510,163	\$ 261,219,915
Restricted for:		
Capital projects	84,713,965	63,413,979
Debt service	391,781,129	357,563,575
Operations	69,835,083	55,803,273
Pension	7,801,045	-
OPEB	22,784,735	17,675,838
Unrestricted net position	579,740,829	444,999,087
Total net position	<u>\$ 1,307,166,949</u>	<u>\$ 1,200,675,667</u>

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating revenues:		
Airline revenues		
Terminal building rental and fees	\$ 66,386,710	\$ 47,725,771
Landing and related fees	51,726,343	54,194,103
Non-airline revenues		
Parking	113,203,532	111,147,005
Car rental	26,355,596	25,502,274
Space rental	24,745,370	17,395,073
Concession	20,848,570	24,011,968
Ground transportation	18,176,625	16,911,757
Other	5,016,484	5,725,716
Operating revenues	<u>326,459,230</u>	<u>302,613,667</u>
Operating expenses:		
Salaries, wages and fringe benefits	51,756,371	49,830,121
Professional and other contractual services	41,786,237	29,165,587
Shuttle bus services	17,206,032	13,254,850
Janitorial services	15,791,577	15,826,096
Parking management	15,137,226	13,135,892
Utilities	11,249,251	8,779,086
Materials and supplies	8,679,362	9,431,679
Repairs and maintenance services	8,100,182	8,635,281
Insurance	5,198,729	5,318,692
Other	5,705,551	5,662,165
Depreciation	141,889,461	117,553,933
Operating expenses	<u>322,499,979</u>	<u>276,593,382</u>
Operating income	<u>3,959,251</u>	<u>26,020,285</u>
Nonoperating revenues (expenses):		
Investment income	62,149,267	62,087,598
Passenger facility charges	46,775,211	44,734,128
Customer facility charges	25,801,636	17,283,641
Federal and state grants	13,437,528	34,830,240
Insurance and other reimbursements	5,698,900	668,506
(Loss) gain on disposal of property and equipment	(4,585,294)	3,695,683
Interest expense	(81,113,571)	(79,526,825)
Debt issuance costs	(101,338)	(7,500)
	<u>68,062,339</u>	<u>83,765,471</u>
Income before capital contributions	72,021,590	109,785,756
Capital contributions	<u>34,469,692</u>	<u>33,822,954</u>
Increase in net position	106,491,282	143,608,710
Total net position - beginning of year	<u>1,200,675,667</u>	<u>1,057,066,957</u>
Total net position - end of year	<u>\$ 1,307,166,949</u>	<u>\$ 1,200,675,667</u>

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Cash received from customers	\$ 330,660,609	\$ 304,643,723
Cash paid to employees	(61,037,456)	(52,115,130)
Cash paid to suppliers	(114,568,438)	(119,336,364)
Cash received for lease deposits	29,191	187,876
Cash reimbursed for lease deposits	(267,791)	(539,388)
Net cash provided by operating activities	<u>154,816,115</u>	<u>132,840,717</u>
Cash flows from noncapital financing activities:		
Grants from federal/state governments	16,353,546	32,770,915
Insurance recoveries and other reimbursements	5,698,900	18,506
Interest paid on long-term debt	(549,156)	(594,300)
Net cash provided by noncapital financing activities	<u>21,503,290</u>	<u>32,195,121</u>
Cash flows from capital and related financing activities:		
Receipt of passenger facility charges	47,193,090	42,721,511
Receipt of customer facility charges	23,873,702	17,111,237
Purchases and construction of property and equipment	(279,283,814)	(257,624,191)
Interest paid on long-term debt	(87,019,031)	(88,277,635)
Payments on long-term debt	(23,491,658)	(8,864,247)
Proceeds from issuance of long-term debt	56,349,563	15,823,146
Payment for debt issuance cost	(101,338)	(7,500)
Interest received from leases	3,737,904	3,333,884
Contributions from governmental agencies	34,456,924	18,134,356
Net insurance recoveries	-	5,243,047
Receipts from sale of capital assets	153,650	107,112
Net cash (used in) capital and related financing activities	<u>(224,131,008)</u>	<u>(252,299,280)</u>
Cash flows from investing activities:		
Purchase of investments	(1,150,853,241)	(1,324,722,657)
Proceeds from the sale and maturities of investments	1,148,939,721	1,404,376,827
Realized gains on investments	56,840,475	57,682,335
Net cash provided by investing activities	<u>54,926,955</u>	<u>137,336,505</u>
Net increase in cash and cash equivalents	<u>7,115,352</u>	<u>50,073,063</u>
Cash and cash equivalents:		
Beginning of year	<u>490,860,341</u>	<u>440,787,278</u>
End of year	<u>\$ 497,975,693</u>	<u>\$ 490,860,341</u>

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Statements of Cash Flows
Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 3,959,251	\$ 26,020,285
Adjustments to reconcile operating income to net cash provided by operating activities:		
Provision for depreciation	141,889,461	117,553,934
Changes in operating assets and liabilities:		
Accounts receivable	10,816,781	(6,234,856)
Lease receivable and related deferred inflows of resources	(7,426,704)	8,455,002
Prepaid expenses	1,224,147	2,235,261
Accounts payable	13,061,562	(12,362,297)
Accrued payroll and related items	1,271,446	1,113,165
Advanced billings and payments received in advance	811,302	(190,091)
Lease deposits	(238,600)	(351,512)
Net pension liability/asset and related deferred inflows/outflows of resources	(6,231,709)	(1,575,203)
Net OPEB liability/asset and related deferred inflows/outflows of resources	<u>(4,320,822)</u>	<u>(1,822,971)</u>
Net cash provided by operating activities	<u>\$ 154,816,115</u>	<u>\$ 132,840,717</u>
Cash and investments - end of year consist of:		
Cash and cash equivalents	\$ 497,975,693	\$ 490,860,341
Investments	<u>731,191,960</u>	<u>738,605,597</u>
	<u>\$ 1,229,167,653</u>	<u>\$ 1,229,465,938</u>
Unrestricted cash and investments	\$ 944,361,907	\$ 791,245,071
Restricted cash and investments	<u>284,805,746</u>	<u>438,220,867</u>
	<u>\$ 1,229,167,653</u>	<u>\$ 1,229,465,938</u>
Noncash investing and financing activities:		
Deferred bond refundings	\$ 355,510	\$ 355,510
Bond premium amortization	<u>7,470,337</u>	<u>7,470,337</u>
Net noncash financing activities	<u>\$ 7,825,847</u>	<u>\$ 7,825,847</u>

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Statements of Fiduciary Net Position
June 30, 2025 and 2024

	2025	2024
	Other Post- Employment and Pension Trust Funds	Other Post- Employment and Pension Trust Funds
ASSETS		
Cash and cash equivalents	\$ 3,997,350	\$ 6,173,959
Investments, at fair value		
Pooled, common, and collective funds	69,144,863	64,518,620
Mutual funds	61,624,788	57,295,795
Total assets	<u>134,767,001</u>	<u>127,988,374</u>
NET POSITION		
Restricted for:		
OPEB	46,307,089	43,175,519
Pension	88,459,912	84,812,855
Total net position	<u>\$ 134,767,001</u>	<u>\$ 127,988,374</u>

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Statements of Fiduciary Net Position
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
	<u>Unadjudicated Funds - Custodial Fund</u>	<u>Unadjudicated Funds - Custodial Fund</u>
ASSETS		
Cash and cash equivalents	\$ 951,740	\$ 986,845
Total assets	<u>951,740</u>	<u>986,845</u>
NET POSITION		
Restricted for:		
Unadjudicated funds	951,740	986,845
Total net position	<u>\$ 951,740</u>	<u>\$ 986,845</u>

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Statements of Changes in Fiduciary Net Position
Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
	<u>Other Post- Employment and Pension Trust Funds</u>	<u>Other Post- Employment and Pension Trust Funds</u>
Additions:		
Employer contributions	\$ 820,638	\$ 2,000,000
Employee contributions	289,619	283,087
Investment income		
Net appreciation in fair value	11,921,537	12,390,658
Interest and dividends	658,352	615,571
Investment expenses	<u>(170,548)</u>	<u>(157,005)</u>
Investment income, net	<u>12,409,341</u>	<u>12,849,224</u>
Total additions	<u>13,519,598</u>	<u>15,132,311</u>
Deductions:		
Benefits paid to participants	6,652,722	6,172,659
Administrative expenses	<u>88,249</u>	<u>78,939</u>
Total deductions	<u>6,740,971</u>	<u>6,251,598</u>
Change in net position	<u>6,778,627</u>	<u>8,880,713</u>
Net position - beginning of year	<u>127,988,374</u>	<u>119,107,661</u>
Net position - end of year	<u>\$ 134,767,001</u>	<u>\$ 127,988,374</u>

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Statements of Changes in Fiduciary Net Position
Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
	<u>Unadjudicated Funds - Custodial Fund</u>	<u>Unadjudicated Funds - Custodial Fund</u>
Additions:		
Collection of unadjudicated funds	\$ 19,443	\$ 95,783
Interest and dividends	97	93
Total additions	<u>19,540</u>	<u>95,876</u>
Deductions:		
Payout of unadjudicated funds	<u>54,645</u>	<u>-</u>
Total deductions	<u>54,645</u>	<u>-</u>
Change in net position	<u>(35,105)</u>	<u>95,876</u>
Net position - beginning of year	<u>986,845</u>	<u>890,969</u>
Net position - end of year	<u><u>\$ 951,740</u></u>	<u><u>\$ 986,845</u></u>

See accompanying notes to basic financial statements.

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2025 and 2024

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 charged 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.

In fiscal year 2010, 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 fiscal year 2012, 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 19).

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 therefore not shown separately in the financial statements.

1. Metropolitan Nashville Airport Authority (continued)

Fiduciary Activities

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 and OPEB trust funds are legally separate entities, and the resources of the trust funds cannot be used 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 fiduciary funds is presented as a blended component unit. The assets in each trust are held only for the Authority retirees' benefit.

The Authority also reports unadjudicated funds as a blended component unit in the Fiduciary Fund Financial Statements. The unadjudicated funds are comprised of cash that was seized from individuals suspected of crimes. 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. When a judgment is rendered, the funds are distributed to the individuals or the Authority accordingly. Any cash remaining in the custodial fund at year-end may not be distributed to the Authority.

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 discussed in Note 1. 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 it 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 use and lease agreements. Unexpended operating appropriations lapse at year-end.

2. Summary of Significant Accounting Policies (continued)

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 its most recent actuarial valuation or projections.

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, insurance and other reimbursements, noncapital federal and state grants, and lease-related interest income as described in Note 16.

Expenses from employee wages and benefits, purchases of services, materials and supplies, and other miscellaneous expenses are reported as operating expenses. Interest expenses 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 \$371,585 and \$107,368 for the years ended June 30, 2025 and 2024, respectively. The allowance for doubtful accounts was \$520,480 and \$359,531 at June 30, 2025 and 2024, respectively.

The Authority's operating revenues are presented in eight components as follows:

Terminal building rental and fees

Terminal building rental and fees consists of the revenues earned from the airlines operating at Nashville International Airport primarily for terminal space, baggage claim, jet bridge, and other rentals. The Airline Agreements have a "hybrid" airline rate-setting methodology with the landing fees being calculated on a residual basis, the terminal rental rates being compensatory, and terminal ramp area rates being compensatory. For more information regarding airline rates and charges, see Note 9.

Airport landing and related fees

Airport landing and related fees consists of the revenues earned from the airlines operating at Nashville International Airport, including landing fees, ramp rent, cargo fees, and other fees.

Parking

Parking revenue is generated primarily from the operation of Authority-owned parking facilities at Nashville International Airport. This revenue is presented net of discounts.

Car rental

Car rental revenue is driven by monthly fees paid by the car rental companies for using airport facilities to rent cars to the public. Payments to the Authority are based on negotiated agreements with the car rental companies to remit amounts typically based either on a minimum guarantee or on a percentage of gross receipts. Car rental revenue excludes Customer Facility Charges, which are included in nonoperating revenue (see Note 7).

2. Summary of Significant Accounting Policies (continued)

Space rental

Space rental revenue includes car rental company space rental, fixed base operator space rental, hangar rental, and certain other income received from leases of Authority-owned property.

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 typically based either on a minimum guarantee or on a percentage of gross receipts.

Ground transportation

Ground transportation revenues are generated by taxicab and rideshare fees, which are assessed on a "per-trip" basis.

Other

Other revenue consists primarily of fixed-based operator fuel sales, rebates, and late fees assessed to customers.

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).

Certain investments are recorded in accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, which requires certain investments to be recorded at amortized cost.

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.

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2025 and 2024

2. Summary of Significant Accounting Policies (continued)

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, 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Debt Service:		
Cash and investments	\$ 215,943,398	\$ 206,668,022
Accounts receivable	72,382	148,129
Total	<u>216,015,780</u>	<u>206,816,151</u>
Construction:		
Cash and investments	60,010,381	224,507,431
Total	<u>60,010,381</u>	<u>224,507,431</u>
Operations:		
Cash and investments	8,851,967	7,045,414
Total	<u>8,851,967</u>	<u>7,045,414</u>
Total restricted assets	<u>\$ 284,878,128</u>	<u>\$ 438,368,996</u>

Capital assets

Capital assets are stated at cost, except for contributions of property received from governmental agencies, which are recorded at acquisition value at the time of contribution. The Authority's policy is to capitalize assets with a useful life greater than one year, and 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
Information technology software	1 to 5 years

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 using the straight-line method.

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 supplementary 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* ("GASB No. 75"), which establishes standards for the measurement, recognition, and display of postemployment benefits

2. Summary of Significant Accounting Policies (continued)

expense and related liabilities, assets, deferred inflows/outflows of resources, note disclosures, and required supplementary information. See additional information regarding the Authority's OPEB in Note 13.

Compensated absences

In accordance with GASB No. 101, *Compensated Absences*, a leave liability is recognized due to the leave attributable to services already rendered, leave which accumulates, and leave which is more likely than not to be used for paid time off or otherwise paid in cash or settled through noncash means. 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 Authority management.

Deferred outflows/Inflows of resources

The statements 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 assets that applies to future periods and, therefore, are not recognized as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and, therefore, are 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, *Leases* ("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, 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 earnings on investments, changes in assumptions, changes in benefit terms, other experience gains or losses, and other factors. 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

2. Summary of Significant Accounting Policies (continued)

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 represent 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 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 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 16.

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 (net of deferred amount on refunding), mortgages, notes, 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.

2. Summary of Significant Accounting Policies (continued)

Unrestricted net position

This component of net position consists of net position that does not meet the definition of “net investment in capital assets” or “restricted net position”.

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 April 2024, the Governmental Accounting Standards Board issued Statement No. 103, *Financial Reporting Model Improvements*, which establishes new accounting and financial reporting requirements or modifies existing requirements related to the following: management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenue, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. The provisions of this statement are effective for the Authority's financial statements for the year ending June 30, 2026.

In September 2024, the Government Accounting Standards Board issued Statement No. 104, *Disclosure of Certain Capital Assets*, which requires certain types of capital assets, such as lease assets, intangible right-to-use assets, subscription assets, and other intangible assets to be disclosed separately by major class of underlying asset in the capital assets note. This statement also requires additional disclosures for capital assets held for sale. The provisions of this statement are effective for the Authority's financial statements for the year ending June 30, 2026.

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 supplementary 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 book balances totaled \$497,975,691 and \$490,860,341 on June 30, 2025 and 2024, respectively.

Cash deposits, maintained at four financial institutions, are carried at cost plus interest, which approximates fair value. Cash deposits totaled \$46,044,921 and \$66,840,144 at June 30, 2025 and 2024, respectively. 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.

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.

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2025 and 2024

3. Cash and Cash Equivalents and Investments (continued)

On June 30, 2025, the average maturities of cash and investments subject to interest rate risk are as follows:

	<u>Fair Value</u>	<u>Average Maturity</u>
Primary Government:		
Investments subject to risk:		
U.S. treasury bonds and agencies	\$ 609,546,520	1.82 years
Commercial paper	90,214,605	.65 years
Certificate of deposit	1,090,414	10 months
Investments subject to risk	<u>700,851,539</u>	
Deposits/investments not subject to risk:		
Investment pool	239,883,641	
Deposits	45,079,971	
Money market funds	243,352,502	
Deposits/investments not subject to risk	<u>528,316,114</u>	
Total Primary Government	<u>\$ 1,229,167,653</u>	
Fiduciary and Custodial Funds:		
Investments subject to risk:		
Pooled, common and collective funds	\$ 2,603,805	6.29 years
Mutual funds	1,356,751	6.29 years
Investments subject to risk	<u>3,960,556</u>	
Deposits/investments not subject to risk:		
Deposits	964,950	
Money market funds	3,984,140	
Pooled, common and collective funds	66,541,058	
Mutual funds	60,268,037	
Deposits/investments not subject to risk	<u>131,758,185</u>	
Total Fiduciary Funds	<u>\$ 135,718,741</u>	

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2025 and 2024

3. Cash and Cash Equivalents and Investments (continued)

On June 30, 2024, the average maturities of cash and investments subject to interest rate risk are as follows:

	<u>Fair Value</u>	<u>Average Maturity</u>
Primary Government:		
Investments subject to risk:		
U.S. treasury bonds and agencies	\$ 537,283,050	1.41 years
Commercial paper	99,811,471	.5 years
Certificate of deposit	1,047,776	10 months
Investments subject to risk	<u>638,142,297</u>	
Deposits/investments not subject to risk:		
Investment pool	256,262,257	
Deposits	65,834,572	
Money market funds	269,226,812	
Deposits/investments not subject to risk	<u>591,323,641</u>	
Total Primary Government	<u><u>\$ 1,229,465,938</u></u>	
Fiduciary and Custodial Funds:		
Investments subject to risk:		
Pooled, common and collective funds	\$ 2,429,256	6.26 years
Mutual funds	999,752	6.26 years
Investments subject to risk	<u>3,429,008</u>	
Deposits/investments not subject to risk:		
Deposits	1,005,572	
Money market funds	6,155,232	
Pooled, common and collective funds	62,089,364	
Mutual funds	56,296,043	
Deposits/investments not subject to risk	<u>125,546,211</u>	
Total Fiduciary Funds	<u><u>\$ 128,975,219</u></u>	

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2025 and 2024

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, 2025, the credit quality ratings of investments (other than U.S. treasury bonds and agencies) are as follows:

Investment	Fair Value	Rating	Organization
Primary Government:			
Commercial Paper	\$ 90,214,605	A, Aa, A	S&P, Moody's, Fitch
Federal Agency Bond/Note	4,429,936	AA, Aa, NR	S&P, Moody's, Fitch
Federal Agency Commercial Mortgage-Backed Securities	48,217,318	AA, Aa, AA	S&P, Moody's, Fitch
Total Primary Government investments	<u>\$ 142,861,859</u>		
Fiduciary Funds:			
Pooled, common and collective funds	\$ 10,335,835	A	S&P, Moody's, Fitch
Pooled, common and collective funds	7,559,941	A	S&P, Moody's, Fitch
Pooled, common and collective funds	5,384,280	BBB	S&P, Moody's, Fitch
Mutual funds	15,770,291	BBB	S&P, Moody's, Fitch
Unrated investments	96,668,394		
Total Fiduciary Fund investments	<u>\$ 135,718,741</u>		

On June 30, 2024, the credit quality ratings of investments (other than U.S. treasury bonds and agencies) are as follows:

Investment	Fair Value	Rating	Organization
Primary Government:			
Commercial Paper	\$ 99,811,471	A, Aa, A	S&P, Moody's, Fitch
Federal Agency Bond/Note	13,391,718	AA, Aaa, NR	S&P, Moody's, Fitch
Federal Agency Commercial Mortgage-Backed Securities	27,089,683	AA, Aaa, AA	S&P, Moody's, Fitch
Total Primary Government investments	<u>\$ 140,292,872</u>		
Fiduciary Funds:			
Pooled, common and collective funds	\$ 9,696,219	AA	S&P, Moody's, Fitch
Pooled, common and collective funds	6,175,937	A	S&P, Moody's, Fitch
Pooled, common and collective funds	4,000,610	BBB	S&P, Moody's, Fitch
Mutual funds	13,714,638	BBB	S&P, Moody's, Fitch
Unrated investments	95,387,815		
Total Fiduciary Fund investments	<u>\$ 128,975,219</u>		

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, 2025 and 2024 are collateralized by securities held by the Authority's agent in the Authority's name.

3. Cash and Cash Equivalents and Investments (continued)

Financial Instruments Reported at Fair Value

The Authority categorizes its fair value measurements within the fair value hierarchy established by U.S. 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, 2025:

- U.S treasury bonds and agency issues of \$609,546,520 are valued using quoted market prices (Level 1 inputs).
- Mutual funds of \$61,624,788 are valued using quoted market prices (Level 1 inputs).
- Commercial paper of \$90,214,605 are valued using quoted market prices and various market and industry inputs (Level 2 inputs).
- Pooled, common and collective funds of \$69,144,863 are valued on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.
- Money market funds totaling \$3,984,140 are valued using quoted market prices and various market and industry inputs (Level 2 inputs).

The Authority has the following recurring fair value measurements as of June 30, 2024:

- U.S treasury bonds and agency issues of \$537,283,050 are valued using quoted market prices (Level 1 inputs).
- Mutual funds of \$57,295,795 are valued using quoted market prices (Level 1 inputs).
- Commercial paper of \$99,811,471 are valued using quoted market prices and various market and industry inputs (Level 2 inputs).
- Pooled, common and collective funds of \$64,518,620 are valued on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.
- Money market funds totaling \$6,155,232 are valued using quoted market prices and various market and industry inputs (Level 2 inputs).

Totals of \$239,883,641 and \$256,262,257 are invested in the Tennessee Local Government Investment Pool on June 30, 2025 and 2024, respectively. Totals of \$243,352,502 and \$269,226,812 are invested at Goldman Sachs on June 30, 2025 and 2024, respectively. These amounts are recorded at amortized cost in accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and are not included in the fair value disclosures above.

Investments in Entities that Calculate Net Asset Value per Share

The Authority holds shares or interests in investment companies whereby the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2025 and 2024

3. Cash and Cash Equivalents and Investments (continued)

At June 30, 2025, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	<u>Carrying Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Collective investment trust funds	\$ 69,144,863	\$ -	Daily	Daily
Total	<u>\$ 69,144,863</u>	<u>\$ -</u>		

At June 30, 2024, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	<u>Carrying Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Collective investment trust funds	\$ 64,518,620	\$ -	Daily	Daily
Total	<u>\$ 64,518,620</u>	<u>\$ -</u>		

The collective investment trust fund class includes 12 funds that invest in a broad range of investment vehicles:

- One fund invests in common stocks of large-cap companies.
- One fund invests in common stocks of companies located in developed countries outside the U.S.
- One fund invests in a diversified portfolio consisting primarily of high-quality bonds and other fixed income securities, including U.S. government obligations, mortgage- and asset-backed securities, corporate bonds, government-related securities, municipal bonds and collateralized mortgage obligations.
- One fund seeks to achieve long-term growth of capital in a large cap value equity style.
- One fund is invested in one or more underlying collective investment funds which seek to approximate the total return of the markets for international equity securities traded outside the United States.
- Two funds invest in investment-grade debt securities, including U.S. Government obligations, corporate bonds, and mortgage- and asset-backed securities.
- Two funds are invested in one or more underlying collective investment funds which seek to approximate the total return of the S&P 500 Index.
- Three funds invest in a diversified portfolio of fixed income securities.

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2025 and 2024

4. Capital Assets

Capital assets and related accumulated depreciation activity for year end June 30, 2025 and 2024 were as follows:

	Balance July 1, 2024	Additions	Retirements	Transfers and Adjustments*	Balance June 30, 2025
Capital assets not being depreciated:					
Land & nondepreciable assets	\$ 113,265,169	\$ -	\$ -	\$ (1,880,898)	\$ 111,384,271
Construction in progress	212,924,038	296,854,196	-	(237,724,007)	272,054,227
Total capital assets not being depreciated	326,189,207	296,854,196	-	(239,604,905)	383,438,498
Capital assets being depreciated:					
Infrastructure	815,353,882	-	-	41,885,484	857,239,366
Buildings and building improvements	1,128,498,584	-	(10,366,352)	127,691,956	1,245,824,188
Equipment, furniture, and fixtures	721,348,402	313,908	(1,990,132)	70,027,465	789,699,643
Subscription assets	3,777,401	1,556,308	-	-	5,333,709
Total capital assets being depreciated	2,668,978,269	1,870,216	(12,356,484)	239,604,905	2,898,096,906
Less accumulated depreciation:					
Infrastructure	(475,988,022)	(24,692,681)	-	-	(500,680,703)
Buildings and building improvements	(302,991,149)	(41,663,970)	6,116,538	-	(338,538,581)
Equipment, furniture and fixtures	(216,527,575)	(74,312,641)	1,501,002	-	(289,339,214)
Subscription assets	(2,027,493)	(778,862)	-	-	(2,806,355)
Total accumulated depreciation	(997,534,239)	(141,448,154)	7,617,540	-	(1,131,364,853)
Net capital assets being depreciated	1,671,444,030	(139,577,938)	(4,738,944)	239,604,905	1,766,732,053
Net capital assets	<u>\$ 1,997,633,237</u>	<u>\$ 157,276,258</u>	<u>\$ (4,738,944)</u>	<u>\$ -</u>	<u>\$ 2,150,170,551</u>
	Balance July 1, 2023	Additions	Retirements	Transfers and Adjustments*	Balance June 30, 2024
Capital assets not being depreciated:					
Land & nondepreciable assets	\$ 111,226,323	\$ -	\$ -	\$ 2,038,846	\$ 113,265,169
Construction in progress	358,877,117	269,673,031	-	(415,626,110)	212,924,038
Total capital assets not being depreciated	470,103,440	269,673,031	-	(413,587,264)	326,189,207
Capital assets being depreciated:					
Infrastructure	728,661,124	-	-	86,692,758	815,353,882
Buildings and building improvements	952,350,604	3,588,572	-	172,559,408	1,128,498,584
Equipment, furniture, and fixtures	567,644,400	268,159	(899,255)	154,335,098	721,348,402
Subscription assets	2,244,691	1,532,710	-	-	3,777,401
Total capital assets being depreciated	2,250,900,819	5,389,441	(899,255)	413,587,264	2,668,978,269
Less accumulated depreciation:					
Infrastructure	(450,768,871)	(25,219,151)	-	-	(475,988,022)
Buildings and building improvements	(267,589,123)	(35,402,026)	-	-	(302,991,149)
Equipment, furniture and fixtures	(161,317,706)	(56,109,124)	899,255	-	(216,527,575)
Subscription assets	(1,057,837)	(969,656)	-	-	(2,027,493)
Total accumulated depreciation	(880,733,537)	(117,699,957)	899,255	-	(997,534,239)
Net capital assets being depreciated	1,370,167,282	(112,310,516)	-	413,587,264	1,671,444,030
Net capital assets	<u>\$ 1,840,270,722</u>	<u>\$ 157,362,515</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,997,633,237</u>

*Transfers and adjustments include reclassifications amongst fixed asset classes.

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2025 and 2024

4. Capital Assets (continued)

The amount of construction in progress at June 30, 2025 is attributable to the following:

Terminal Area Roadway Improvements (TARI)	\$ 97,373,111
A Concourse Site Preparation and Construction	97,837,423
Baggage Handling System Improvements	19,235,404
Central Ramp Expansion	14,009,692
Other projects	<u>43,598,597</u>
Total construction in progress	<u>\$ 272,054,227</u>

During fiscal year 2025, \$237,724,007 of construction in progress was substantially completed and transferred to capital assets as follows:

Concourse D Extension	\$ 190,662,456
Reconstruct Bravo/Kilo Intersection	17,485,474
Other projects	<u>29,576,077</u>
Total transferred to capital assets	<u>\$ 237,724,007</u>

The amount of construction in progress at June 30, 2024 is attributable to the following:

Concourse D Extension	\$ 69,022,646
Terminal Area Roadway Improvements (TARI)	45,480,909
A Concourse Site Preparation and Expansion	30,164,044
Reconstruct Taxiway Bravo/Kilo Intersection and T3 Demolition	16,963,960
Other projects	<u>51,292,479</u>
Total construction in progress	<u>\$ 212,924,038</u>

During fiscal year 2024, \$415,626,110 of construction in progress was substantially completed and transferred to capital assets as follows:

Terminal Lobby/International Arrivals Facility	\$ 189,006,805
Satellite Concourse	125,097,916
Terminal and Taxilane Expansion	23,131,264
Other projects	<u>78,390,125</u>
Total transferred to capital assets	<u>\$ 415,626,110</u>

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2025 and 2024

4. Capital Assets (continued)

Uncompleted construction contracts

Estimated costs of completion of construction in progress at June 30, 2025 total \$594,519,000 and relate to various projects. The estimated costs to complete construction progress are anticipated to be funded as follows:

Reimbursed by government agencies and grant contracts	\$ 30,873,407
Funded by the Authority	<u>563,645,593</u>
	<u>\$ 594,519,000</u>

5. Long-term Debt

The following is a detail listing of long-term debt at June 30:

	2025	2024
Special facility revenue bonds - direct borrowing:		
Senior lien, CONRAC Series 2018, 3.40%, due 7/1/2028	\$ 14,605,562	\$ 17,956,357
Total special facility revenue bonds - direct borrowing	<u>14,605,562</u>	<u>17,956,357</u>
Airport revenue bonds - other:		
Senior lien, Series 2003B, 5.49% to 5.94%, due 7/1/2033	9,245,000	10,005,000
Senior lien, Series 2015A, 4.00% to 5.00%, due 7/1/2045	78,485,000	80,655,000
Senior lien, Series 2015B, 4.00% to 5.00%, due 7/1/2045	92,535,000	95,175,000
Subordinate lien, Series 2019A, 4.00% to 5.00%, due 7/1/2054	254,435,000	254,435,000
Subordinate lien, Series 2019B, 4.00% to 5.00%, due 7/1/2054	665,150,000	665,150,000
Senior lien, Series 2022A, 5.00% to 5.25%, due 7/1/2052	94,525,000	94,525,000
Senior lien, Series 2022B, 5.00% to 5.50%, due 7/1/2052	<u>501,560,000</u>	<u>501,560,000</u>
Total airport revenue bonds - other	<u>1,695,935,000</u>	<u>1,701,505,000</u>
Notes payable - direct borrowing:		
Geothermal Loan	<u>1,979,775</u>	<u>2,288,911</u>
Total notes payable - direct borrowing	<u>1,979,775</u>	<u>2,288,911</u>
Other debt:		
BNA Credit Facility	<u>72,166,903</u>	<u>30,079,067</u>
Total other debt	<u>72,166,903</u>	<u>30,079,067</u>
Total airport bonds payable and other debt	1,784,687,240	1,751,829,335
Add:		
Unamortized bond premiums	<u>209,726,178</u>	<u>217,196,514</u>
Total airport bonds payable and other debt, net	<u>1,994,413,418</u>	<u>1,969,025,849</u>
Less current portion	<u>20,502,904</u>	<u>39,308,998</u>
Total airport bonds payable and other debt, noncurrent	<u>\$ 1,973,910,514</u>	<u>\$ 1,929,716,851</u>

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2025 and 2024

5. Long-term Debt (continued)

The annual requirements to pay principal and interest on the Authority's debt outstanding at June 30, 2025 are summarized as follows:

	Principal				
	Direct Placement	Other	Direct Placement		
	Special Facility	Airport	Notes	Other	
	Revenue Bonds	Revenue Bonds	Payable	Debt	Total
2026	\$ 3,468,000	\$ 16,720,000	\$ 314,904	\$ -	\$ 20,502,904
2027	3,587,550	28,100,000	320,779	-	32,008,329
2028	3,711,220	29,480,000	326,764	72,166,903	105,684,887
2029	3,838,792	30,935,000	332,861	-	35,106,653
2030	-	32,475,000	339,071	-	32,814,071
2031-2035	-	188,745,000	345,396	-	189,090,396
2036-2040	-	207,540,000	-	-	207,540,000
2041-2045	-	267,270,000	-	-	267,270,000
2046-2050	-	409,075,000	-	-	409,075,000
2051-2055	-	485,595,000	-	-	485,595,000
Total	<u>\$ 14,605,562</u>	<u>\$ 1,695,935,000</u>	<u>\$ 1,979,775</u>	<u>\$ 72,166,903</u>	<u>\$ 1,784,687,240</u>

	Interest			
	Direct Placement	Other	Direct Placement	
	Special Facility	Airport	Notes	
	Revenue Bonds	Revenue Bonds	Payable	Total
2026	\$ 443,220	\$ 84,334,138	\$ 50,660	\$ 84,828,018
2027	321,593	83,242,861	41,825	83,606,279
2028	195,773	81,818,914	32,824	82,047,511
2029	65,984	80,304,974	23,655	80,394,613
2030	-	78,717,441	14,315	78,731,756
2031-2035	-	366,577,092	4,801	366,581,893
2036-2040	-	318,329,006	-	318,329,006
2041-2045	-	262,027,006	-	262,027,006
2046-2050	-	187,872,984	-	187,872,984
2051-2055	-	88,869,938	-	88,869,938
Total	<u>\$ 1,026,570</u>	<u>\$ 1,632,094,354</u>	<u>\$ 168,080</u>	<u>\$ 1,633,289,004</u>

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 \$4.4 million and \$8.4 million of the Series 2015A and Series 2015B bonds, respectively; approximately \$52 million of the Series 2022A bonds; and approximately \$495 million of the Series 2019B and Series 2022B bonds (Note 6). Although the CONRAC Series 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 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.

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. For the years ended June 30, 2025 and 2024, net revenues were \$145,848,712 and \$143,574,217, respectively, compared to the net debt service (principal and interest) for senior and subordinate revenue bonds of \$101,054,138 and \$90,455,316, respectively. In addition, a portion of the Airport Revenue Bonds has been approved by the FAA to be funded by Passenger Facility Charges. For the years ended June 30, 2025 and 2024, the PFC revenues were \$46,775,211 and \$44,734,128, respectively, compared to the net debt service (principal and interest) paid by PFCs of \$32,529,362 and \$21,504,899 for each year.

Net CONRAC revenues have been pledged toward the repayment of the CONRAC Series 2018 Refunding Revenue Bonds. For the years ended June 30, 2025 and 2024, the CONRAC revenues were \$25,801,636 and \$17,283,641, respectively, compared to the net debt service (principal and interest) of \$3,913,257 and \$3,915,169, respectively.

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, 2025, \$27,710,000 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 \$3,350,795 on July 1, 2024, to \$3,838,790 on July 1, 2028.

Geothermal loan

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 \$1,979,775 and \$2,288,911 at June 30, 2025 and 2024, respectively.

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).

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 \$760,000 on July 1, 2024, 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, 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.

5. Long-term Debt (continued)

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 \$2,170,000 on July 1, 2024, 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 \$2,640,000 on July 1, 2024, 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 for the Series 2019A&B bonds is payable on January 1 and 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.

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.

Airport improvement revenue bonds, Series 2022A&B

During November 2022, the Authority issued Series 2022A bonds in the principal amount of \$94,525,000 and Series 2022B bonds in the principal amount of \$501,560,000, collectively the "Series 2022A&B bonds". The Series 2022A&B bonds were issued to finance certain capital improvement at Nashville International Airport, fund capitalized interest on the Series 2022A&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 \$7,122,713 and \$26,460,002 for 2022A and 2022B, respectively. This amount is being amortized through 2052.

5. Long-term Debt (continued)

Interest for the Series 2022A&B bonds is payable on each January 1 and July 1, commencing July 1, 2023.

The Series 2022A bonds contain serial bonds at interest rates ranging from 5% to 5.25%, maturing in amounts ranging from \$1,720,000 on July 1, 2026, to \$3,755,000 on July 1, 2042. \$21,905,000 of term bonds at 5.25% are due on July 1, 2047, and \$28,140,000 of term bonds at 5% are due on July 1, 2052.

The Series 2022B bonds contain serial bonds at interest rates ranging from 5% to 5.5%, maturing in amounts ranging from \$8,855,000 on July 1, 2026, to \$20,055,000 on July 1, 2042. \$117,515,000 of term bonds at 5.25% are due on July 1, 2047, \$127,285,000 of term bonds at 5.5% are due on July 1, 2052, and \$25,000,000 of term bonds at 5% are due on July 1, 2052.

The Series 2022A&B bonds maturing on and after July 1, 2033, 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, 2032.

BNA credit facility loan agreement

On January 7, 2019, the Authority entered into a new Credit Facility Loan Agreement ("BNA Credit Facility"). 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 October 2024, the note was amended to carry a maximum principal amount of \$200 million at June 30, 2025. The note was amended in fiscal year 2026 to carry a maximum principal amount of \$400 million. The note matures in October 2027. The taxable portion of the Credit Facility bears a variable interest rate equal to daily SOFR plus 85 basis points. The nontaxable portion of the Credit Facility bears a variable interest rate equal to 80% of daily SOFR plus 57 basis points. The rates on June 30, 2025 were 5.14% for the taxable Credit Facility, and 4.00% for the nontaxable Credit Facility. Interest for this Credit Facility totaled \$1,923,802 and \$938,698 during fiscal years 2025 and 2024, respectively. Accrued interest on this line of credit was \$328,053 and \$101,759 on June 30, 2025 and 2024, respectively.

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.

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2025 and 2024

5. Long-term Debt (continued)

- (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.
- (iv) The lender may exercise, or cause to be exercised, any and all remedies as it may have under the agreement as otherwise available at law and at equity.

Long-term debt activity for the years ended June 30, 2025 and 2024 were as follows:

	Balance July 1, 2024	New Borrowings	Principal Repayment	Amortization	Balance June 30, 2025	Due within one year
Direct placement - special facility revenue bonds	\$ 17,956,357	\$ -	\$ (3,350,795)	\$ -	\$ 14,605,562	\$ 3,468,000
Other - airport revenue bonds	1,701,505,000	-	(5,570,000)	-	1,695,935,000	16,720,000
Direct Placement - notes payable	2,288,911	-	(309,136)	-	1,979,775	314,904
Other debt	30,079,067	56,349,563	(14,261,727)	-	72,166,903	-
Add:						
Unamortized bond premiums	217,196,514	-	-	(7,470,336)	209,726,178	-
Total long-term debt	<u>\$ 1,969,025,849</u>	<u>\$ 56,349,563</u>	<u>\$ (23,491,658)</u>	<u>\$ (7,470,336)</u>	<u>\$ 1,994,413,418</u>	<u>\$ 20,502,904</u>
	Balance July 1, 2023	New Borrowings	Principal Repayment	Amortization	Balance June 30, 2024	Due within one year
Direct placement - special facility revenue bonds	\$ 21,197,130	\$ -	\$ (3,240,773)	\$ -	\$ 17,956,357	\$ 3,350,795
Other - airport revenue bonds	1,706,825,000	-	(5,320,000)	-	1,701,505,000	5,570,000
Direct Placement - notes payable	2,592,385	-	(303,474)	-	2,288,911	309,136
Other debt	14,255,921	15,823,146	-	-	30,079,067	30,079,067
Add:						
Unamortized bond premiums	224,666,851	-	-	(7,470,337)	217,196,514	-
Total long-term debt	<u>\$ 1,969,537,287</u>	<u>\$ 15,823,146</u>	<u>\$ (8,864,247)</u>	<u>\$ (7,470,337)</u>	<u>\$ 1,969,025,849</u>	<u>\$ 39,308,998</u>

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 occasionally since 1993, and the current maximum fee that can be authorized through federal regulation is \$4.50 per enplaning passenger. PFCs are recorded as non-operating revenue. PFC revenue during fiscal years 2025 and 2024 totaled \$46,775,211 and \$44,734,128, respectively.

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, 2025:

Airfield development	\$ 218,905,270
Terminal development	1,311,492,678
Roadway improvements	108,357,322
Land acquisition	21,260,411
	<u>\$ 1,660,015,681</u>

As of June 30, 2025, cumulative expenditures to date on approved PFC projects totaled \$425,733,486.

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. Prior to February 2025, the CFC rate was \$4.50 per transaction day. The CFC rate is now \$10.00 per transaction day. The fee is collected by on-airport car rental companies from each customer and subsequently remitted to the Authority. The Authority has pledged the CFC proceeds as collateral security for the payment of the CONRAC Series 2010 and 2018 bonds issued in February 2010 and May 2018, respectively. Additionally, in accordance with the terms of the CONRAC Series 2010 and 2018 bond agreements, 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 and exceeding the various refunded funds for any lawful purpose. CFC revenue during fiscal years 2025 and 2024 totaled \$25,801,636 and \$17,283,641, respectively. CFC revenue is reported in 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 \$33,401,233 and \$29,784,847 at June 30, 2025 and 2024, respectively, 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, 2025 and 2024 was \$9,500,000. These bonds do not represent a claim on the Authority's assets or require the Authority to incur future obligations. Therefore, 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.

8. Special Facility Revenue Bonds (continued)

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.

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, 2025 and 2024 was \$595,000 and \$1,215,000, respectively. 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.

The following is a detail of the principal balances of special facility revenue bonds at June 30:

	<u>2025</u>	<u>2024</u>
Special facility revenue bonds:		
Series 2005	\$ 9,500,000	\$ 9,500,000
Series 2006/refunding series 2010	595,000	1,215,000
Total special facility revenue bonds	<u>\$ 10,095,000</u>	<u>\$ 10,715,000</u>

9. Airline Use and Lease Agreement

During fiscal year 2024, the Authority entered into a new Signatory Airline Use and Lease Agreement with an eight-year term from July 1, 2023 to June 30, 2031 (the "Airline Agreement") with Alaska Airlines, Allegiant Airlines, American Airlines, Delta Air Lines, Federal Express, Frontier Airlines, JetBlue, Southwest Airlines, Spirit Airlines, and United Airlines. The Airline Agreement contains a two-year option to extend through mutual agreement between the Authority and the signatory airlines no less than two years before expiration.

As per the Airline Agreement, passenger carriers must pay at least 1% of the total rates, charges, and fees paid by all signatory airlines. Cargo carriers must pay at least 1% of annual landing fees paid by all signatory airlines.

The Authority created five airline cost centers for the purpose of accounting for and allocating costs and revenues at the airport to establish rates and charges for use of the airfield, terminal, passenger loading bridges, baggage handling system, and terminal ramp area. In addition to the five airline cost centers, the Authority also allocates costs and revenues to three Authority cost centers (parking and ground transportation, other buildings and areas, and the reliever airport) and one indirect cost center (general administration and overhead). The Authority's indirect cost center is allocated to the direct airline cost centers. As described below, rate-setting at the airport is "hybrid". Landing fees are calculated using a residual methodology, the terminal rental rates are calculated using a commercial compensatory methodology, and other rates are calculated using a compensatory methodology. In the airfield cost center, the airlines have the primary responsibility, risk, and benefit from non-airline revenues. In the other cost centers, the Authority and airlines share the responsibility, risk, and benefits.

Landing fees under the Airline Agreements are calculated on a residual basis. Signatory Airlines have Majority-in-Interest ("MII") review rights for capital projects in the airfield cost center exceeding \$2.0 million.

9. Airline Use and Lease Agreement (continued)

The form of MII is negative (e.g., the Authority may proceed unless it receives disapproval from the majority). Rolling debt service coverage is incorporated into the rate calculations for all airline cost centers.

Terminal rents are 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. The Airline Agreement contains a 50% airline rented space minimum if debt service coverage requirements are not met. The Authority's internal debt management policy requires a debt service coverage ratio of 1.5x for senior lien debt service, and 1.25x for combined debt service. The Authority's bond documents require a debt service coverage ratio of 1.25x for senior lien debt service, and 1.10x for subordinate lien debt service. If debt service coverage requirements are not met, then the Authority may increase the airlines' share of the terminal requirement by the lesser of the amount necessary to meet the coverage requirements, or the amount necessary to make the airlines' share of the terminal requirement equal to 50%. The terminal requirement includes operating expenses, debt service, rolling debt service coverage, amortization of capital costs, operations and maintenance reserve fund, and renewal and replacement fund. Signatory airlines occupying the satellite concourse receive a 2.5% discount on the main terminal rate.

Terminal ramp area, passenger loading bridge, and baggage equipment rates are calculated using a compensatory methodology and include rolling debt service coverage equal to 25% of incremental senior lien debt service and 10% of incremental subordinate lien debt service, as well as the amortization of Authority cash expenditures on terminal ramp area cost center capital projects.

The Authority has committed to spending \$75 million in Authority cash over the term of the agreement to fund capital projects currently identified for airline cost centers (other than the airfield cost center). Amounts will be amortized in the airline base over the useful life of the asset(s).

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.

The Airline Agreements provide signatory airline support for John C. Tune Airport, including certain reliever airport support costs in the landing fees.

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.

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2025 and 2024

10. Risk Management and Insurance Arrangements (continued)

The following summarizes the changes in the estimated claims liability at June 30:

	2025	2024
Balance - beginning of year	\$ 365,703	\$ 212,516
Provision for incurred claims	5,595,766	4,559,821
Claim payments	<u>(5,546,570)</u>	<u>(4,406,634)</u>
Balance - end of year	<u>\$ 414,899</u>	<u>\$ 365,703</u>

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 deicing 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 2025 and 2024, employees sold back \$759,074 and \$278,931 of their annual leave balances to the Authority in exchange for cash. Additional payments of \$407,499 and \$611,549 were made to employees who left employment with the Authority during the years ended June 30, 2025 and 2024, respectively. The change in accrued compensated absences balance is charged to salaries and wages expense.

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2025 and 2024

11. Compensated Absences (continued)

The following summarizes the changes in the compensated absences liability at June 30:

	2025	2024
Balance - beginning of year	\$ 3,595,561	\$ 3,185,356
Provision for compensated absences	4,494,409	4,593,307
Annual leave used	(3,717,025)	(3,292,622)
Annual leave buy-back and other	(1,166,573)	(890,480)
Balance - end of year	<u>\$ 3,206,372</u>	<u>\$ 3,595,561</u>

The compensated absences liability is included in accrued payroll and related items on the statements of net position, and 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 the Authority's management and is governed by a Retirement Committee (the "Committee"). The Committee members are appointed by the Authority. On June 30, 2025, the Committee consists of 7 voting members, 5 of whom are active Authority senior management, two of whom are active Authority employees and members of the Plan. The Authority's Vice President of Finance is a non-voting member on the committee.

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 retiring 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 years of vesting service. A participant classified as a safety and security employee is eligible for early

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2025 and 2024

12. Retirement Benefit Plan (continued)

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, 2025, the following employees were covered by the benefit terms:

Retired	207
Deferred vested	44
Active vested	30
Total covered employees	<u>281</u>

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 2025. 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. The actuarially determined contribution is calculated using a funding valuation that uses the asset smoothing method. The asset smoothing method used is a 3-year weighted average of asset gains and losses, subject to a 20% corridor.

Pension net position

The Authority does not issue separate financial statements for the pension plan. 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 May 2025.

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), net asset value per share (or its equivalent), 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 an 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.

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2025 and 2024

12. Retirement Benefit Plan (continued)

Additional information regarding pension net position is included in Note 14.

The Plan's investments which represented 5% or more of net position as of June 30, 2025 and 2024 are as follows:

Description of Investment		2025	2024
Principal	Metropolitan West Total Return Bond Fund Class I	\$ 10,366,430	\$ 9,712,035
Principal	Dodge and Cox Intermediate Bond	10,340,647	9,731,050
Principal	Federated Total Return Bond	10,336,761	9,702,767
Principal	Allspring Core Bond	10,335,835	9,696,219
Principal	Blackrock S&P 500 Index	9,363,933	8,687,419
Principal	Blackrock S&P Midcap Index	6,180,269	5,823,812
	Other funds representing less than 5%	31,536,037	31,459,553
	Total investment and net position	<u>\$ 88,459,912</u>	<u>\$ 84,812,855</u>

Net pension asset

The Authority's net pension asset was measured as of June 30, 2025, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date.

Actuarial assumptions

The total pension liability in the June 30, 2025 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	6.0% per annum, compounded annually, net of pension plan investment expense and inflation
Mortality	115% of the PubG-2010 Generational Mortality Tables for Males and Females with Improvement Scale MP-2021

The mortality table was changed from the RP-2014 Generational Mortality Table for Males and Females with Improvement Scale MP-2021 to 115% of the PubG-2010 Generational Mortality Table for Males and Females with Improvement Scale MP-2021. The rate of investment return and discount rate was changed from 5.5% to 6.0%.

The annual money-weighted rate of return on pension assets was 9.99% in fiscal year 2025.

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:

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2025 and 2024

12. Retirement Benefit Plan (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity - Small Cap	4.00%	6.90%
Domestic Equity - Large Cap	26.50%	5.50%
Domestic Equity - Mid Cap	7.00%	6.30%
International Equity	12.50%	5.50%
Fixed Income	47.00%	3.20%
Cash	3.00%	1.80%

Discount rate

The discount rate used to measure total pension liability is 6.0%, 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

	<u>Total Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(Asset)</u>
			<u>(a) - (b)</u>
Balances at July 1, 2024	<u>\$ 85,742,831</u>	<u>\$ 84,812,855</u>	<u>\$ 929,976</u>
Changes for the year:			
Service cost	446,209	-	446,209
Interest	4,597,132	-	4,597,132
Difference between expected and actual experience	(681,103)	-	(681,103)
Changes of assumptions	(4,236,556)	-	(4,236,556)
Contributions - Employer	-	820,638	(820,638)
Net investment income	-	8,036,065	(8,036,065)
Benefits paid	<u>(5,209,646)</u>	<u>(5,209,646)</u>	<u>-</u>
Net changes	<u>(5,083,964)</u>	<u>3,647,057</u>	<u>(8,731,021)</u>
Balance as June 30, 2025	<u><u>\$ 80,658,867</u></u>	<u><u>\$ 88,459,912</u></u>	<u><u>\$ (7,801,045)</u></u>

The pension fiduciary net position is equal to 110% of the total pension liability at June 30, 2025.

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2025 and 2024

12. Retirement Benefit Plan (continued)

	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at July 1, 2023	\$ 83,824,843	\$ 79,616,465	\$ 4,208,378
Changes for the year:			
Service cost	485,029	-	485,029
Interest	4,610,366	-	4,610,366
Difference between expected and actual experience	1,738,581	-	1,738,581
Contributions - Employer	-	2,000,000	(2,000,000)
Net investment income	-	8,112,378	(8,112,378)
Benefits paid	(4,915,988)	(4,915,988)	-
Net changes	1,917,988	5,196,390	(3,278,402)
Balance as June 30, 2024	\$ 85,742,831	\$ 84,812,855	\$ 929,976

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 at June 30, 2025, calculated using the stated discount rate, as well as what the net pension liability (asset) would be if it were calculated using a discount rate which is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease 5.00%	Current Rate 6.00%	1% Increase 7.00%
Net pension liability	\$ 315,157	\$ (7,801,045)	\$(14,727,146)

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2025 and 2024

12. Retirement Benefit Plan (continued)

Pension plan fiduciary net position

For the years ending June 30, 2025 and 2024, the Authority recognized pension expenses of \$(5,411,071) and \$2,288,071, respectively. On June 30, 2025 and 2024, the Authority reported deferred inflows of resources and deferred outflows of resources related to pensions from the following sources:

	June 30, 2025	
	Deferred Outflow of Resources	Deferred Inflow of Resources
Experience gains or losses	\$ -	\$ -
Change of assumptions	-	-
Net difference between projected and actual earnings on investment	-	2,710,618
Total	<u>\$ -</u>	<u>\$ 2,710,618</u>

	June 30, 2024	
	Deferred Outflow of Resources	Deferred Inflow of Resources
Experience gains or losses	\$ -	\$ -
Change of assumptions	-	-
Net difference between projected and actual earnings on investment	-	211,306
Total	<u>\$ -</u>	<u>\$ 211,306</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions as of June 30, 2025, will be recognized in pension expense as follows:

Year ended June 30,	
2026	\$ 1,403,610
2027	\$ (1,954,671)
2028	\$ (1,461,145)
2029	\$ (698,412)

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 administered by the Authority's management and is governed by a Retirement Committee (the "Committee"). The Committee members are appointed by the Authority. On June 30, 2025, the Committee consists of 7 voting members, 5 of whom are active Authority senior management, two of whom are active Authority employees and members of the Plan. The Authority's Vice President of Finance is a non-voting member on the committee.

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, the Authority 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 the Authority. If they desired not to enroll in Authority supplemental plans, they have the option to enroll in the individual Market Medicare Plans.

The Authority 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 Authority 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 co-pays, 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%. Currently, 117 Pre-65 are receiving OPEB benefits. The monthly contribution requirements for participants in the Authority's medical plan range from \$80.94 (single "HDHP" wellness rate premium) to \$572.08 (family "PPO" non-wellness rate premium). The Authority elected not to 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%. As of June 30, 2024, there were 6 retirees receiving benefits under the PERS. During the years ended June 30, 2025 and 2024, payments of \$51,705 and \$48,811, respectively, were made to the Metropolitan Government for postemployment benefits under this PERS.

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2025 and 2024

13. Other Postemployment Benefits (OPEB) (continued)

Employees covered by benefit terms

On June 30, 2025 the following employees were covered by the benefit terms:

Actives (with medical coverage)	56
Retirees (with medical coverage)	138
Covered spouses of retirees	77
Surviving spouses of retirees (with medical coverage)	12
Retirees (receiving stipend only)	41
Deferred vested employees	51
Total covered employees	<u>375</u>

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 May 2025.

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.

The Plan's investments which represented 5% or more of net position as of June 30, 2025 and 2024 are as follows:

Description of Investment		2025	2024
Principal	Metropolitian West Total Return Bond Fund Class I	\$ 5,403,861	\$ 4,002,603
Principal	Dodge & Cox Income Fund	5,386,959	4,002,015
Principal	Allspring Core Bond Fund	5,386,206	4,010,084
Principal	Federated Total Return Fund Class I	5,384,280	4,000,610
Principal	Vanguard 500 Index Fund	4,899,935	5,430,524
Principal	Northern Mid Cap Index Fund	3,253,676	3,640,904
	Other funds representing less than 5%	<u>16,592,172</u>	<u>18,088,779</u>
	Total investment and net position	<u>\$ 46,307,089</u>	<u>\$ 43,175,519</u>

13. Other Postemployment Benefits (OPEB) (continued)

Net OPEB asset

The Authority's net OPEB asset was measured as of June 30, 2025, and the total OPEB liability 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, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation method	Entry age normal, level of percentage of pay
Discount rate	6%
Expected long-term rate of return on plan assets	6%
Healthcare cost trend rate	7.50% 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
Mortality	115% of the PubG-2010 Generational Mortality Tables for Males and Females with Improvement Scale MP-2021

The medical trend is 7.5% graded to 6.60% over 3 years and following the Getzen model thereafter until reaching an ultimate rate of 4.04% in the year 2075. The mortality assumption was updated to 115% of PubG Headcount Weighted Mortality table with improvements projected using scale MP-2021.

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 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

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2025 and 2024

13. Other Postemployment Benefits (OPEB) (continued)

of return for each major asset class included in the OPEB plan's target asset allocation are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equity - Small Cap	4.00%	6.90%
Domestic Equity - Large Cap	26.50%	5.50%
Domestic Equity - Mid Cap	7.00%	6.30%
International Equity	12.50%	5.50%
Fixed Income	47.00%	3.20%
Cash	3.00%	1.80%

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.

Changes in the net OPEB liability

	<u>Total OPEB Liability (a)</u>	<u>Plan Net Position (b)</u>	<u>Net OPEB Liability (Asset) (a) - (b)</u>
Balances at July 1, 2024	\$25,499,681	\$43,175,519	\$ (17,675,838)
Change for the year:			
Service cost	274,520	-	274,520
Interest	1,477,245	-	1,477,245
Difference between expected and actual experience	(4,053,849)	-	(4,053,849)
Changes of assumptions	1,478,214	-	1,478,214
Net investment income	-	4,373,276	(4,373,276)
Contributions - employee	289,619	289,619	-
Benefits paid	(1,443,076)	(1,443,076)	-
Administrative expenses	-	(88,249)	88,249
	<u>(1,977,327)</u>	<u>3,131,570</u>	<u>(5,108,897)</u>
Balance at June 30, 2025	<u>\$23,522,354</u>	<u>\$46,307,089</u>	<u>\$ (22,784,735)</u>

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2025 and 2024

13. Other Postemployment Benefits (OPEB) (continued)

	Total OPEB Liability (a)	Plan Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances at July 1, 2023	\$27,204,801	\$39,491,196	\$ (12,286,395)
Change for the year:			
Service cost	359,608	-	359,608
Interest	1,595,450	-	1,595,450
Difference between expected and actual experience	(3,070,498)	-	(3,070,498)
Changes of assumptions	383,903	-	383,903
Net investment income	-	4,736,847	(4,736,847)
Contributions - employee	-	283,087	(283,087)
Benefits paid	(973,583)	(1,256,672)	283,089
Administrative expenses	-	(78,939)	78,939
Net changes	(1,705,120)	3,684,323	(5,389,443)
Balance at June 30, 2024	<u>\$25,499,681</u>	<u>\$43,175,519</u>	<u>\$ (17,675,838)</u>

The Authority made contributions of \$289,619 and \$283,087 to the OPEB Trust during fiscal years 2025 and 2024, respectively. These contributions were considered in the June 30, 2025 and 2024 actuarial valuations.

The OPEB fiduciary net position is equal to 197% of the total OPEB liability at June 30, 2025.

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate

The following represents the net OPEB liability calculated using the stated health care cost trend assumption, as well as what the OPEB liability 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:

	1% Decrease	Current	1% Increase
Net OPEB liability			
June 30, 2025	\$ (24,639,816)	\$ (22,784,735)	\$ (20,643,203)

The following represents the net OPEB liability calculated using the stated discount rate, as well as what the net OPEB 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 5.00%	Current Rate 6.00%	1% Increase 7.00%
Net OPEB liability			
June 30, 2025	\$ (20,746,929)	\$ (22,784,735)	\$ (24,553,760)

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2025 and 2024

13. Other Postemployment Benefits (OPEB) (continued)

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the years ending June 30, 2025 and 2024, the Authority recognized OPEB expense of (\$4,320,822) and (\$3,676,244), respectively. On June 30, 2025 and 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	June 30, 2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience gains or losses	\$ -	\$ -
Change of assumption	-	-
Net difference between projected and actual earnings on investments	-	1,866,487
Total	<u>\$ -</u>	<u>\$ 1,866,487</u>

	June 30, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Experience gains or losses	\$ -	\$ -
Change of assumption	-	-
Net difference between projected and actual earnings on investments	-	1,078,412
Total	<u>\$ -</u>	<u>\$ 1,078,412</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB as of June 30, 2025 will be recognized in OPEB expense as follows:

Year Ended June 30,	
2026	\$ 524,440
2027	\$ (1,183,449)
2028	\$ (843,589)
2029	\$ (363,889)

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2025 and 2024

14. Pension and Other Postemployment Benefits Trust Funds

The following are condensed financial statements for the pension and OPEB plans:

	June 30, 2025		
	Other Post- Employment Benefit Trust Fund	Pension Benefit Trust Fund	Total
Statement of Net Position			
Cash and cash equivalents	\$ 1,338,174	\$ 2,659,176	\$ 3,997,350
Investments, at fair value:			
Pooled, common and collective funds	-	69,144,863	69,144,863
Mutual funds	44,968,915	16,655,873	61,624,788
Net position	\$ 46,307,089	\$ 88,459,912	\$ 134,767,001

Schedule of Changes in Net Position			
Employer contributions	\$ -	\$ 820,638	\$ 820,638
Employee contributions	289,619	-	289,619
Net appreciation in fair value	4,373,277	7,548,260	11,921,537
Interest and dividends	-	658,352	658,352
Investment expenses	-	(170,548)	(170,548)
Benefits paid to participants	(1,443,076)	(5,209,646)	(6,652,722)
Administrative expenses	(88,249)	-	(88,249)
Net change in net position	\$ 3,131,571	\$ 3,647,056	\$ 6,778,627

	June 30, 2024		
	Other Post- Employment Benefit Trust Fund	Pension Benefit Trust Fund	Total
Statement of Net Position			
Cash and cash equivalents	\$ 1,415,748	\$ 4,758,211	\$ 6,173,959
Investments, at fair value:			
Pooled, common and collective funds	-	64,518,620	64,518,620
Mutual funds	41,759,771	15,536,024	57,295,795
Net position	\$ 43,175,519	\$ 84,812,855	\$ 127,988,374

Schedule of Changes in Net Position			
Employer contributions	\$ -	\$ 2,000,000	\$ 2,000,000
Employee contributions	283,087	-	283,087
Net appreciation in fair value	4,736,847	7,653,811	12,390,658
Interest and dividends	-	615,571	615,571
Investment expenses	-	(157,005)	(157,005)
Benefits paid to participants	(1,256,672)	(4,915,987)	(6,172,659)
Administrative expenses	(78,939)	-	(78,939)
Net change in net position	\$ 3,684,323	\$ 5,196,390	\$ 8,880,713

15. 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 without any waiting period. Amounts contributed by the Authority to the deferred compensation plan were \$1,713,680 and \$1,424,186 in 2025 and 2024, respectively. Employees contributed through payroll deductions to the plan \$2,190,380 and \$1,801,664 in 2024 and 2023, respectively.

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 were \$3,138,233 and \$2,505,508 in 2025 and 2024, respectively.

16. Lease Accounting

Lessor

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 governmental 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.

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 years ended June 30, 2025 and 2024, the Authority recognized the following related to its lessor agreements:

	2025	2024
Lease revenue	\$ 14,285,499	\$ 13,743,627
Interest Income related to its leases	\$ 3,730,331	\$ 3,467,654
Revenue from variable payments not previously included in the measurement of the lease receivables	\$ 10,801,003	\$ 8,848,956

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2025 and 2024

16. Lease Accounting (continued)

Summary of Lease Activities as of June 30:

	<u>2025</u>	<u>2024</u>
Buildings		
Number of leases	61	63
Term	1 to 888 months	1 to 900 months
Lease receivable	\$ 90,202,964	\$ 95,171,289
Lease revenue	\$ 10,810,716	\$ 10,274,839
Termination options	1 to 3 months	1 to 3 months
Land		
Number of leases	13	13
Term	10 to 554 months	10 to 566 months
Lease receivable	\$ 48,552,791	\$ 50,324,410
Lease revenue	\$ 3,474,783	\$ 3,468,788

Included in the Authority's lease receivables at June 30, 2025 and 2024 are \$138,755,755 and \$145,495,699, respectively, 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.

Future principal and interest payment requirements related to the Authority's lease receivable at June 30, 2025 are as follows:

Principal and Interest Expected to Maturity			
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	\$ 12,877,862	\$ 3,487,098	\$ 16,364,960
2027	12,863,652	3,189,554	16,053,206
2028	11,780,718	2,894,924	14,675,642
2029	10,628,128	2,624,625	13,252,753
2030	10,125,223	2,370,128	12,495,351
2031 - 2035	32,006,872	8,684,854	40,691,726
2036 - 2040	10,600,950	6,376,448	16,977,398
2041 - 2045	6,946,036	5,317,294	12,263,330
2046 - 2050	4,066,464	4,583,261	8,649,725
2051 - 2055	4,555,454	3,967,642	8,523,096
2056 - 2060	3,838,004	3,359,155	7,197,159
2061 - 2065	4,611,632	2,769,074	7,380,706
2066 - 2070	5,207,239	2,023,008	7,230,247
2071 - 2075	920,909	1,579,091	2,500,000
2076 - 2080	1,115,886	1,384,115	2,500,001
2081 - 2085	1,352,143	1,147,857	2,500,000
2086 - 2090	1,638,421	861,579	2,500,000
2091 - 2095	1,985,311	514,689	2,500,000
2096 - 2099	1,634,851	115,147	1,749,998
Total principal and interest expected to maturity	\$ 138,755,755	\$ 57,249,543	\$ 196,005,298

16. Lease Accounting (continued)

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 – 46 of 54 total jet bridges are designated preferential use.
- Passenger hold rooms – 85% of available space is designated preferential use
- Baggage service – 83% of available space is designated preferential use
- Ticket counter space – 75% of available space is designated preferential use
- Ticket office space – 83% of available space is designated preferential use
- Concourse operations space – 83% of available space is designated preferential use

During the year ended June 30, 2025, the Authority recognized the following from regulated leases:

- Regulated lease revenue: \$44,559,642
- Revenue from variable payments not included in the schedule of expected future minimum payments: \$25,817,527

Future expected minimum payments related to the Authority's regulated leases at June 30, 2025 are as follows:

<u>Fiscal Year</u>	<u>Future Minimum Expected Receipts</u>
2026	\$ 6,977,729
2027	\$ 7,101,732
2028	\$ 7,118,978
2029	\$ 7,178,364
2030	\$ 7,249,509
2031 - 2035	\$ 31,238,162
2036 - 2040	\$ 25,613,226
2041 - 2045	\$ 25,408,105
2046 - 2050	\$ 28,870,942
2051 - 2055	\$ 32,598,392
2056 - 2060	\$ 15,282,459
2061 - 2065	\$ 1,544,979
2066 - 2070	\$ 1,556,237

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

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2025 and 2024

16. Lease Accounting (continued)

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.

17. Subscription-based Information Technology Arrangements

GASB 96 – Included Subscription-based Information Technology Arrangements

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.

The Authority has entered SBITAs with various third parties. These arrangements provide access to airline common use systems, public warning platforms, and various other software programs. 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, 2025 is as follows:

Subscription asset	\$ 5,333,709
Accumulated amortization	\$ 2,806,355
Term	5 to 42 months

The following summarizes the changes in the subscription lease liability at June 30:

	2025	2024
Balance - beginning of year	\$ 1,566,158	\$ 1,074,154
Additional subscriptions	2,197,614	1,447,109
Principal payments	(1,717,169)	(955,105)
Balance - end of year	<u>\$ 2,046,603</u>	<u>\$ 1,566,158</u>

Future principal and interest payment requirements related to the Authority's lease liability at June 30, 2025 are as follows:

Principal and Interest Requirements to Maturity			
Fiscal Year	Principal Payments	Interest Payments	Total Payments
Current principal and interest requirements to maturity:			
2026	\$ 886,010	\$ 42,396	\$ 928,406
Noncurrent principal and interest requirements to maturity:			
2027	392,412	27,341	419,753
2028	417,241	18,369	435,610
2029	350,940	8,812	359,752
Total noncurrent principal and interest requirements to maturity	1,160,593	54,522	1,215,115
Total principal and interest requirements to maturity	<u>\$ 2,046,603</u>	<u>\$ 96,918</u>	<u>\$ 2,143,521</u>

17. Subscription-based Information Technology Arrangements (continued)

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.

18. Public-Private and Public-Public Partnerships

During the year ended June 30, 2021, the Authority entered into a public-public/public-private partnership arrangement with Nashville Airport Hotel Partners, LLC (the “operator”), under which the operator designed, built, and will operate the onsite hotel for seventy-five years. The onsite hotel was placed into service during fiscal year 2024. The operator will be entitled to all fees during the period of the arrangement. At the end of the arrangement, the hotel will be transferred to the Authority. At June 30, 2025 and 2024, the Authority recognized a receivable of \$12,224,773 and \$12,253,876, respectively, for installment payments of \$500,000 per annum, discounted at a rate of 3.847%. Additionally, the Authority reports a deferred inflow of resources in the amount of \$12,074,415 at June 30, 2025, and \$12,225,294 at June 30, 2024, pursuant to the public-public/public-private partnership arrangement.

Additionally, the operator also constructed a parking garage, placed into service during fiscal year 2023, for the use of onsite hotel guests. The Authority paid the operator a developer fee of \$3,090,000 and reimbursed the operator for the construction of the garage. The carrying value of the parking garage was \$80,832,254 at June 30, 2025 and \$84,137,297 at June 30, 2024. The operator is solely responsible for setting parking rates for the parking facilities within the hotel premises; provided, however, that in no event may the operator charge less for use of its parking facilities than the Authority is then charging for use of the balance of the garage facility.

The operator shall remit a percentage of annual gross revenues derived from the business conducted on the hotel premises, including the parking garage, to the Authority as follows:

Annual Gross Revenues	Percent Payable to the Authority
\$0 - \$22,500,000	0%
\$22,500,001 - \$40,000,000	5%
\$40,000,001 - \$80,000,000	6%
\$80,000,001 or more	10%

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2025 and 2024

19. Condensed Financial Information by Entity

	June 30, 2025			
	Airports		Blended Component Unit	
	Nashville International Airport	John C. Tune Airport ⁽¹⁾	MNAA Properties Corporation	Total
Condensed statement of net position:				
Assets:				
Current assets	\$ 987,982,647	\$ 5,401,303	\$ 22,529,804	\$1,015,913,754
Restricted assets	284,878,128	-	-	284,878,128
Capital assets, net	2,047,716,711	98,650,085	3,803,755	2,150,170,551
Other assets	149,806,409	30,482	8,496,616	158,333,507
Total assets	3,470,383,895	104,081,870	34,830,175	3,609,295,940
Deferred outflows of resources	1,096,155	-	-	1,096,155
Total assets and deferred outflows of resources	<u>\$3,471,480,050</u>	<u>\$ 104,081,870</u>	<u>\$ 34,830,175</u>	<u>\$3,610,392,095</u>
Liabilities:				
Current liabilities	\$ 106,345,830	\$ 22,028,540	\$ 414,548	\$ 128,788,918
Noncurrent liabilities	2,038,825,049	-	-	2,038,825,049
Total liabilities	2,145,170,879	22,028,540	414,548	2,167,613,967
Deferred inflows of resources	124,548,217	35,631	11,027,331	135,611,179
Net position:				
Net investment in capital assets	49,979,483	96,726,925	3,803,755	150,510,163
Restricted for:				
Capital projects	84,713,965	-	-	84,713,965
Debt service	391,781,129	-	-	391,781,129
Operations	69,835,083	-	-	69,835,083
Pension	7,801,045	-	-	7,801,045
OPEB	22,784,735	-	-	22,784,735
Unrestricted net position	574,865,514	(14,709,226)	19,584,541	579,740,829
Total net position	1,201,760,954	82,017,699	23,388,296	1,307,166,949
Total liabilities, deferred inflows of resources, and net position	<u>\$3,471,480,050</u>	<u>\$ 104,081,870</u>	<u>\$ 34,830,175</u>	<u>\$3,610,392,095</u>
Condensed statement of revenues expenses, changes in net position:				
Operating revenues	\$ 317,615,474	\$ 4,082,397	\$ 4,761,359	\$ 326,459,230
Operating expenses	311,480,617	8,294,662	2,724,700	322,499,979
Operating income (loss)	6,134,857	(4,212,265)	2,036,659	3,959,251
Nonoperating revenues	67,156,532	(150,392)	1,056,199	68,062,339
Transfers	(515,000)	515,000	-	-
Capital contributions	33,506,588	963,104	-	34,469,692
Increase in net position	106,282,977	(2,884,553)	3,092,858	106,491,282
Net position, beginning of year	1,095,477,977	84,902,252	20,295,438	1,200,675,667
Net position, end of year	<u>\$1,201,760,954</u>	<u>\$ 82,017,699</u>	<u>\$ 23,388,296</u>	<u>\$1,307,166,949</u>
Condensed statement of cash flows:				
Cash flows from operating activities	\$ 150,072,057	\$ 2,084,554	\$ 2,659,504	\$ 154,816,115
Cash flows from noncapital financing activities	21,464,890	38,400	-	21,503,290
Cash flows from capital and related financing activities	(218,390,548)	(5,786,210)	45,750	(224,131,008)
Cash flows from investing activities	52,137,810	5,635,286	(2,846,141)	54,926,955
Intercompany	1,851,103	(1,967,319)	116,216	-
Increase (decrease) in cash and cash equivalents	7,135,312	4,711	(24,671)	7,115,352
Cash and cash equivalents beginning of year	490,640,921	96,210	123,210	490,860,341
Cash and cash equivalents, end of year	<u>\$ 497,776,233</u>	<u>\$ 100,921</u>	<u>\$ 98,539</u>	<u>\$ 497,975,693</u>

(1) Current assets at John C. Tune airport are negative due to \$19,449,412 in repayments owed to Nashville International Airport reflected in this line at June 30, 2025.

Metropolitan Nashville Airport Authority
Notes to the Financial Statements
Years Ended June 30, 2025 and 2024

19. Condensed Financial Information by Entity (continued)

	June 30, 2024			
	Airports		Blended Component Unit	
	Nashville International Airport	John C. Tune Airport ⁽¹⁾	MNAA Properties Corporation	Total
Condensed statement of net position:				
Assets:				
Current assets	\$ 840,921,073	\$ 10,581,600	\$ 18,833,223	\$ 870,335,896
Restricted assets	438,368,996	-	-	438,368,996
Capital assets, net	1,895,975,836	97,421,286	4,236,115	1,997,633,237
Other assets	143,310,756	37,484	10,017,248	153,365,488
Total assets	3,318,576,661	108,040,370	33,086,586	3,459,703,617
Deferred outflows of resources	1,451,665	-	-	1,451,665
Total assets and deferred outflows of resources	<u>\$3,320,028,326</u>	<u>\$ 108,040,370</u>	<u>\$ 33,086,586</u>	<u>\$3,461,155,282</u>
Liabilities:				
Current liabilities	\$ 81,838,444	\$ 23,095,538	\$ 485,436	\$ 105,419,418
Noncurrent liabilities	2,014,092,677	-	-	2,014,092,677
Total liabilities	2,095,931,121	23,095,538	485,436	2,119,512,095
Deferred inflows of resources	128,619,228	42,580	12,305,712	140,967,520
Net position:				
Net investment in capital assets	159,562,515	97,421,286	4,236,114	261,219,915
Restricted for:				
Capital projects	63,413,979	-	-	63,413,979
Debt service	357,563,575	-	-	357,563,575
Operations	55,803,273	-	-	55,803,273
OPEB	17,675,838	-	-	17,675,838
Unrestricted net position	441,458,797	(12,519,034)	16,059,324	444,999,087
Total net position	1,095,477,977	84,902,252	20,295,438	1,200,675,667
Total liabilities, deferred inflows of resources, and net position	<u>\$3,320,028,326</u>	<u>\$ 108,040,370</u>	<u>\$ 33,086,586</u>	<u>\$3,461,155,282</u>
Condensed statement of revenues expenses, changes in net position:				
Operating revenues	\$ 295,957,627	\$ 2,967,463	\$ 3,688,577	\$ 302,613,667
Operating expenses	267,203,522	6,967,698	2,422,162	276,593,382
Operating income (loss)	28,754,105	(4,000,235)	1,266,415	26,020,285
Nonoperating revenues	81,680,681	1,106,087	978,703	83,765,471
Transfers	1,547,657	(1,547,657)	-	-
Capital contributions	33,626,372	196,582	-	33,822,954
Increase in net position	145,608,815	(4,245,223)	2,245,118	143,608,710
Net position, beginning of year	949,869,162	89,147,475	18,050,320	1,057,066,957
Net position, end of year	<u>\$1,095,477,977</u>	<u>\$ 84,902,252</u>	<u>\$ 20,295,438</u>	<u>\$1,200,675,667</u>
Condensed statement of cash flows:				
Cash flows from operating activities	\$ 129,239,788	\$ 1,068,369	\$ 2,532,560	\$ 132,840,717
Cash flows from noncapital financing activities	32,180,121	15,000	-	32,195,121
Cash flows from capital and related financing activities	(239,735,943)	(12,793,671)	230,334	(252,299,280)
Cash flows from investing activities	149,289,240	(9,318,738)	(2,633,997)	137,336,505
Intercompany	(20,878,171)	21,021,152	(142,981)	-
Increase (decrease) in cash and cash equivalents	50,095,035	(7,888)	(14,084)	50,073,063
Cash and cash equivalents beginning of year	440,545,886	104,098	137,294	440,787,278
Cash and cash equivalents, end of year	<u>\$ 490,640,921</u>	<u>\$ 96,210</u>	<u>\$ 123,210</u>	<u>\$ 490,860,341</u>

(1) Current assets at John C. Tune airport are negative due to \$21,931,731 in repayments owed to Nashville International Airport reflected in this line at June 30, 2024.

This page is intentionally left blank.

This section contains the following subsections:

Schedule of Changes in Net Pension Liability

Schedule of Pension Contributions

Schedule of Investment Returns for Pension

Schedule of Changes in Net OPEB Liability

Schedule of OPEB Contributions

Schedule of Investment Returns for OPEB

Metropolitan Nashville Airport Authority
Schedule of Changes in Net Pension Liability
Year Ended June 30 for Each of the Years Presented

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability:										
Service cost	\$ 446,209	\$ 485,028	\$ 503,601	\$ 528,437	\$ 654,045	\$ 823,410	\$ 685,843	\$ 667,297	\$ 741,608	\$ 679,217
Interest	4,597,132	4,610,366	4,512,614	4,371,171	4,590,189	4,622,700	4,604,838	4,218,823	4,482,097	4,342,076
Differences between expected and actual experience	(681,103)	1,738,581	1,546,464	2,075,869	(307,806)	(1,902,545)	2,027,120	745,177	(1,259,978)	537,929
Changes of assumptions	(4,236,556)	-	-	137,652	2,223,479	(219,979)	7,451,464	2,942,473	(616,820)	2,516,013
Benefit payments	(5,209,646)	(4,915,987)	(4,785,372)	(4,541,435)	(4,187,216)	(3,865,432)	(3,507,672)	(3,059,272)	(2,839,298)	(2,589,887)
Net change in total pension liability	(5,083,964)	1,917,988	1,777,307	2,571,694	2,972,691	(541,846)	11,261,593	5,514,498	507,609	5,485,348
Total pension liability - beginning	85,742,831	83,824,843	82,047,536	79,475,842	76,503,151	77,044,997	65,783,404	60,268,906	59,761,297	54,275,949
Total pension liability - ending (a)	80,658,867	85,742,831	83,824,843	82,047,536	79,475,842	76,503,151	77,044,997	65,783,404	60,268,906	59,761,297
Plan fiduciary net position:										
Contributions - employer	820,638	2,000,000	1,410,000	250,000	417,321	3,450,000	8,900,000	2,000,000	5,160,905	11,951,995
Net investment income (loss)	8,036,065	8,112,377	6,577,593	(11,820,464)	16,647,552	4,297,823	4,148,512	4,968,584	6,771,977	205,790
Benefit payments	(5,209,646)	(4,915,987)	(4,785,372)	(4,541,435)	(4,187,216)	(3,865,432)	(3,507,672)	(3,059,272)	(2,839,298)	(2,589,887)
Net change in plan fiduciary net position	3,647,057	5,196,390	3,202,221	(16,111,899)	12,877,657	3,882,391	9,540,840	3,909,312	9,093,584	9,567,898
Plan fiduciary net position - beginning	84,812,855	79,616,465	76,414,244	92,526,143	79,648,486	75,766,095	66,225,255	62,315,943	53,222,359	43,654,461
Plan fiduciary net position - ending (b)	88,459,912	84,812,855	79,616,465	76,414,244	92,526,143	79,648,486	75,766,095	66,225,255	62,315,943	53,222,359
Authority's net pension liability (asset) - ending (a) - (b)	<u>\$ (7,801,045)</u>	<u>\$ 929,976</u>	<u>\$ 4,208,378</u>	<u>\$ 5,633,292</u>	<u>\$ (13,050,301)</u>	<u>\$ (3,145,335)</u>	<u>\$ 1,278,902</u>	<u>\$ (441,851)</u>	<u>\$ (2,047,037)</u>	<u>\$ 6,538,938</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	109.7%	98.9%	95.0%	93.1%	116.4%	104.1%	98.3%	100.7%	103.4%	89.1%
Covered payroll	\$ 3,482,825	\$ 4,153,041	\$ 4,062,321	\$ 4,342,597	\$ 5,239,192	\$ 6,534,870	\$ 6,811,701	\$ 8,493,682	\$ 8,497,486	\$ 8,078,834
Net pension liability (asset) as a percentage of covered payroll	(224.0%)	22.4%	103.6%	129.7%	(249.1%)	(48.1%)	18.8%	(5.2%)	(24.1%)	80.9%

Metropolitan Nashville Airport Authority
Schedule of Pension Contributions
Year Ended June 30 for Each of the Years Presented

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 820,638	\$ 532,077	\$ 409,587	\$ 166,598	\$ 417,321	\$ 945,088	\$ 790,495	\$ 717,344	\$ 1,101,679	\$ 1,652,788
Contributions in relation to the actuarially determined contribution	820,638	2,000,000	1,410,000	250,000	417,321	3,450,000	8,900,000	2,000,000	5,160,905	11,951,995
Contribution (excess) deficiency	\$ -	\$ (1,467,923)	\$ (1,000,413)	\$ (83,402)	\$ -	\$ (2,504,912)	\$ (8,109,505)	\$ (1,282,656)	\$ (4,059,226)	\$ (10,299,207)
Covered payroll	\$ 3,482,825	\$ 4,153,041	\$ 4,062,321	\$ 4,342,597	\$ 5,239,192	\$ 6,534,870	\$ 6,811,701	\$ 7,440,484	\$ 8,493,682	\$ 8,497,486
Contributions as a percentage covered payroll	23.6%	48.2%	34.7%	5.8%	8.0%	52.8%	130.7%	26.9%	60.8%	140.7%

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, 2025 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 value for Statement No. 67 and Statement No. 68
	Fair value is based on quoted market prices
Amortization method	Level Dollar
Amortization period	For Statement No. 68 as of June 30, 2025:
	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	6%, per annum, compounded annually
Discount rate	6%, per annum, compounded annually
Asset smoothing method	3-year weighted average of asset gains and losses, subject to a 20% corridor
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	June 30, 2025: 115% of the PubG-2010 Generational Mortality Tables for Males and Females with Improvement Scale MP-2021
	June 30, 2024: RP-2014 Generational Mortality Table for Males and Females with Improvement Scale MP-2021
	June 30, 2023: RP-2014 Generational Mortality Table for Males and Females with Improvement Scale MP-2021
	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

Metropolitan Nashville Airport Authority
Schedule of Investment Returns for Pension
Year Ended June 30 for Each of the Years Presented

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense	9.99%	10.69%	8.86%	-12.88%	21.63%	6.05%	6.20%	8.40%	13.04%	0.76%

Metropolitan Nashville Airport Authority
Schedule of Changes in Net OPEB Liability
Year Ended June 30 for Each of the Years Presented

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability:									
Service cost	\$ 274,520	\$ 359,608	\$ 339,253	\$ 505,252	\$ 729,685	\$ 838,087	\$ 1,110,421	\$ 1,287,152	\$ 1,259,595
Interest	1,477,245	1,595,450	1,897,780	1,604,056	1,522,814	1,669,885	1,445,441	1,478,732	1,346,638
Differences between expected and actual experience	(4,053,849)	(3,070,498)	(6,447,643)	4,284,326	(1,243,929)	(2,752,567)	(2,713,939)	(2,340,217)	809,991
Changes of assumptions	1,478,214	383,903	124,995	(237,239)	(2,867,444)	387,506	(1,225,616)	-	1,205,435
Benefit payments	(1,153,457)	(973,583)	(1,094,989)	(1,638,721)	(2,975,921)	(1,082,284)	(1,081,219)	(1,346,874)	(1,191,983)
Net change in total OPEB liability	(1,977,327)	(1,705,120)	(5,180,604)	4,517,674	(4,834,795)	(939,373)	(2,464,912)	(921,207)	3,429,676
Total OPEB liability - beginning	25,499,681	27,204,801	32,385,405	27,867,731	32,702,526	33,641,899	36,106,811	37,028,018	33,598,342
Total OPEB liability - ending (a)	23,522,354	25,499,681	27,204,801	32,385,405	27,867,731	32,702,526	33,641,899	36,106,811	37,028,018
Plan fiduciary net position:									
Contributions - employer	-	-	151,000	-	3,202,541	5,532,284	3,081,219	10,195,977	\$ 7,983,073
Contributions - employee	289,619	283,087	535,502	-	-	-	-	-	-
Net investment income (loss)	4,373,276	4,736,847	3,867,729	(5,932,472)	9,514,314	1,380,131	1,595,233	1,204,489	1,016,930
Benefit payments	(1,443,076)	(1,256,672)	(1,630,491)	(1,638,721)	(2,975,921)	(1,082,284)	(1,081,219)	(1,346,874)	(1,191,983)
Administrative expenses	(88,249)	(78,939)	(75,057)	(85,711)	(66,595)	(59,148)	(52,660)	(31,165)	(18,854)
Net change in plan fiduciary net position	3,131,570	3,684,323	2,848,683	(7,656,904)	9,674,339	5,770,983	3,542,573	10,022,427	7,789,166
Plan fiduciary net position - beginning	43,175,519	39,491,196	36,642,513	44,299,417	34,625,078	28,854,095	25,311,522	15,289,095	7,499,929
Plan fiduciary net position - ending (b)	46,307,089	43,175,519	39,491,196	36,642,513	44,299,417	34,625,078	28,854,095	25,311,522	15,289,095
Authority's net OPEB (asset) liability - ending (a) - (b)	\$ (22,784,735)	\$ (17,675,838)	\$ (12,286,395)	\$ (4,257,108)	\$ (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 (asset) liability	196.9%	169.3%	145.2%	113.1%	159.0%	105.9%	85.8%	70.1%	41.3%
Covered-employee payroll	\$ 5,609,691	\$ 6,439,286	\$ 6,677,516	\$ 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	-406.2%	-274.5%	-184.0%	-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

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ -	\$ -	\$ 151,696	\$ -	\$ 605,418	\$ 1,200,138	\$ 1,911,323	\$ 3,167,615	\$ -
Contributions in relation to the actuarially determined contribution	-	-	151,000	-	3,202,542	5,532,284	3,081,219	10,195,977	7,983,073
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 696</u>	<u>\$ -</u>	<u>\$ (2,597,124)</u>	<u>\$ (4,332,146)</u>	<u>\$ (1,169,896)</u>	<u>\$ (7,028,362)</u>	<u>\$ (7,983,073)</u>
Covered-employee payroll	\$ 5,609,691	\$ 6,439,286	\$ 6,677,516	\$ 7,062,037	\$ 7,881,945	\$ 10,303,336	\$ 9,777,169	\$ 10,678,528	\$ 11,523,443
Contributions as a percentage of covered-employee payroll	0.0%	0.0%	2.3%	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, 2025 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, 2025: 7.5% graded to 6.60% over 3 years and following the Getzen model thereafter until reaching an ultimate rate of 4.04% in the year 2075. June 30, 2024: 7.00% graded down using the Getzen 2024 model June 30, 2023: 6.25% graded down using the Getzen 2023 model 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	June 30, 2025: 115% of the PubG-2010 Generational Mortality Tables for Males and Females with Improvement Scale MP-2021 June 30, 2024: RP-2014 Generational Mortality Table for Males and Females with Improvement Scale MP-2021 June 30, 2023: RP-2014 Generational Mortality Table for Males and Females with Improvement Scale MP-2021 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

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	10.23%	12.18%	10.70%	-13.64%	27.54%	4.79%	6.31%	7.53%	13.02%

This page is intentionally left blank.

This section contains the following subsections:

Combining Schedule of Net Position Information by Entity

**Combining Schedule of Revenues, Expenses, and Changes
in Net Position Information by Entity**

**Combining Schedule of Fiduciary Net Position Information
by Entity**

**Combining Schedule of Changes in Fiduciary Net Position
Information by Entity**

**Schedule of Airport Revenue Bonds, Principal, and Interest
Requirements by Fiscal Year**

Schedule of Changes in Long-term Debt by Individual Issue

Metropolitan Nashville Airport Authority
Combining Schedule of Net Position Information by Entity
June 30, 2025

	Nashville International Airport ⁽¹⁾	John C. Tune Airport	MNAA Properties Corporation ⁽¹⁾	Total
ASSETS				
Current assets:				
Unrestricted assets:				
Cash, cash equivalents, and investments	\$ 920,938,087	\$ 4,396,813	\$ 19,027,007	\$ 944,361,907
Accounts receivable, net	17,059,044	15,093	77,126	17,151,263
Lease receivables	9,448,456	7,003	3,422,402	12,877,861
Due from governmental agencies	20,684,048	982,394	-	21,666,442
Due from (to) other funds	19,446,143	(19,449,412)	3,269	-
Prepaid expenses and other	406,869	-	-	406,869
Total current unrestricted assets	987,982,647	(14,048,109)	22,529,804	996,464,342
Restricted assets:				
Cash and investments	284,805,746	-	-	284,805,746
Accounts receivable	72,382	-	-	72,382
Noncurrent assets:				
Capital assets:				
Capital assets not being depreciated				
Land and nondepreciable assets	107,969,150	3,214,304	200,817	111,384,271
Construction in progress	264,334,774	7,717,653	1,800	272,054,227
Capital assets being depreciated				
Infrastructure	776,598,422	80,640,944	-	857,239,366
Buildings and building improvements	1,186,921,210	45,061,090	13,841,888	1,245,824,188
Equipment, furnitures, and fixtures	783,910,250	3,946,703	1,842,690	789,699,643
Subscription assets	5,333,709	-	-	5,333,709
Total capital assets	3,125,067,515	140,580,694	15,887,195	3,281,535,404
Less accumulated depreciation	(1,077,350,804)	(41,930,609)	(12,083,440)	(1,131,364,853)
Net capital assets	2,047,716,711	98,650,085	3,803,755	2,150,170,551
Other assets:				
Accounts receivable, net	1,869,833	-	-	1,869,833
Lease receivables	117,350,796	30,482	8,496,616	125,877,894
Net pension asset	7,801,045	-	-	7,801,045
Net OPEB asset	22,784,735	-	-	22,784,735
Total noncurrent assets	2,482,401,248	98,680,567	12,300,371	2,593,382,186
Total assets	\$ 3,470,383,895	\$ 84,632,458	\$ 34,830,175	\$ 3,589,846,528
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow s from OPEB	\$ -	\$ -	\$ -	\$ -
Deferred outflow s from pension	-	-	-	-
Deferred amount on refunding	1,096,155	-	-	1,096,155
Total deferred outflow s of resources	\$ 1,096,155	\$ -	\$ -	\$ 1,096,155

(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, 2025

	Nashville International Airport ⁽¹⁾	John C. Tune Airport	MNAA Properties Corporation ⁽¹⁾	Total
LIABILITIES				
Current liabilities:				
Payable from unrestricted assets:				
Accounts payable	\$ 91,211,429	\$ 2,375,038	\$ 338,677	\$ 93,925,144
Accrued payroll and related items	10,195,462	107,720	-	10,303,182
Advanced billings and payments received in advance	3,382,453	96,370	75,871	3,554,694
Subscription lease liability	886,010	-	-	886,010
Current maturities of notes payable	314,904	-	-	314,904
Accrued interest payable	355,572	-	-	355,572
Total current liabilities	106,345,830	2,579,128	414,548	109,339,506
Noncurrent liabilities:				
Payable from restricted assets:				
Accrued interest payable	42,615,060	-	-	42,615,060
Current maturities of airport revenue bonds	20,188,000	-	-	20,188,000
Deferred revenue from seized funds	950,882	-	-	950,882
Notes payable, less current maturities	1,664,871	-	-	1,664,871
Subscription lease liability	1,160,593	-	-	1,160,593
Airport revenue bonds, less current maturities	1,972,245,643	-	-	1,972,245,643
Total noncurrent liabilities	2,038,825,049	-	-	2,038,825,049
Total liabilities	\$ 2,145,170,879	\$ 2,579,128	\$ 414,548	\$ 2,148,164,555
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow s from leases	\$ 119,971,112	\$ 35,631	\$ 11,027,331	\$ 131,034,074
Deferred inflow s from pension	2,710,618	-	-	2,710,618
Deferred inflow s from OPEB	1,866,487	-	-	1,866,487
Total deferred inflow s of resources	\$ 124,548,217	\$ 35,631	\$ 11,027,331	\$ 135,611,179
NET POSITION				
Net investment in capital assets	\$ 49,979,483	\$ 96,726,925	\$ 3,803,755	\$ 150,510,163
Restricted for:				
Capital projects	84,713,965	-	-	84,713,965
Debt service	391,781,129	-	-	391,781,129
Operations	69,835,083	-	-	69,835,083
Net pension asset	7,801,045	-	-	7,801,045
Net OPEB asset	22,784,735	-	-	22,784,735
Unrestricted net position	574,865,514	(14,709,226)	19,584,541	579,740,829
Total net position	\$ 1,201,760,954	\$ 82,017,699	\$ 23,388,296	\$ 1,307,166,949

(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, 2025

	Nashville International Airport ⁽¹⁾	John C. Tune Airport	MNAA Properties Corporation ⁽¹⁾	Total
Operating revenues:				
Airline revenues				
Terminal building rental and fees	\$ 66,386,710	\$ -	\$ -	\$ 66,386,710
Landing and related fees	51,726,343	-	-	51,726,343
Non-airline revenues				
Parking	113,203,532	-	-	113,203,532
Car rental	26,355,596	-	-	26,355,596
Space rental	16,254,676	3,846,145	4,644,549	24,745,370
Concession	20,848,570	-	-	20,848,570
Ground transportation	18,176,625	-	-	18,176,625
Other	4,663,422	236,252	116,810	5,016,484
Total operating revenue	<u>317,615,474</u>	<u>4,082,397</u>	<u>4,761,359</u>	<u>326,459,230</u>
Operating expenses:				
Salaries, wages and fringe benefits	50,834,376	921,995	-	51,756,371
Professional and other contractual services	41,471,709	58,387	256,141	41,786,237
Shuttle bus services	17,206,032	-	-	17,206,032
Janitorial services	15,413,635	26,338	351,604	15,791,577
Parking management	15,137,226	-	-	15,137,226
Utilities	10,437,174	145,319	666,758	11,249,251
Materials and supplies	8,491,233	144,266	43,863	8,679,362
Repairs and maintenance services	7,744,443	62,268	293,471	8,100,182
Insurance	5,043,228	65,631	89,870	5,198,729
Other	4,799,372	542,630	363,549	5,705,551
Depreciation	134,902,189	6,327,828	659,444	141,889,461
Total operating expenses	<u>311,480,617</u>	<u>8,294,662</u>	<u>2,724,700</u>	<u>322,499,979</u>
Operating income (loss)	<u>6,134,857</u>	<u>(4,212,265)</u>	<u>2,036,659</u>	<u>3,959,251</u>
Nonoperating revenues (expenses):				
Investment income	60,672,750	420,318	1,056,199	62,149,267
Passenger facility charges	46,775,211	-	-	46,775,211
Customer facility charges	25,801,636	-	-	25,801,636
Federal and state grants	13,404,978	32,550	-	13,437,528
Insurance and other reimbursements	5,698,900	-	-	5,698,900
Loss on disposal of assets	(4,585,294)	-	-	(4,585,294)
Interest expense	(80,510,311)	(603,260)	-	(81,113,571)
Debt issuance costs	(101,338)	-	-	(101,338)
	<u>67,156,532</u>	<u>(150,392)</u>	<u>1,056,199</u>	<u>68,062,339</u>
Income (loss) before capital contributions and transfers	73,291,389	(4,362,657)	3,092,858	72,021,590
Transfers	(515,000)	515,000	-	-
Capital contributions	<u>33,506,588</u>	<u>963,104</u>	<u>-</u>	<u>34,469,692</u>
Increase (decrease) in net position	106,282,977	(2,884,553)	3,092,858	106,491,282
Net position - beginning of year	<u>1,095,477,977</u>	<u>84,902,252</u>	<u>20,295,438</u>	<u>1,200,675,667</u>
Net position - end of year	<u>\$ 1,201,760,954</u>	<u>\$ 82,017,699</u>	<u>\$ 23,388,296</u>	<u>\$ 1,307,166,949</u>

⁽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 Fiduciary Net Position Information by Entity
June 30, 2025

	Other Post- Employment Benefit Trust Fund	Pension Benefit Trust Fund	Total
ASSETS			
Cash and cash equivalents	\$ 1,338,174	\$ 2,659,176	\$ 3,997,350
Investments, at fair value:			
Pooled, common and collective funds	-	69,144,863	69,144,863
Mutual funds	44,968,915	16,655,873	61,624,788
Total assets	46,307,089	88,459,912	134,767,001
NET POSITION			
Restricted for:			
OPEB	46,307,089	-	46,307,089
Pension	-	88,459,912	88,459,912
Total net position	\$ 46,307,089	\$ 88,459,912	\$ 134,767,001

Metropolitan Nashville Airport Authority
Combining Schedule of Changes in Fiduciary Net Position Information by Entity
For the Year Ended June 30, 2025

	Other Post- Employment Benefit Trust Fund	Pension Benefit Trust Fund	Total
Additions:			
Employer contributions	\$ -	\$ 820,638	\$ 820,638
Employee contributions	289,619	-	289,619
Investment income			
Net appreciation in fair value	4,373,277	7,548,260	11,921,537
Interest and dividends	-	658,352	658,352
Investment expenses	-	(170,548)	(170,548)
Investment income, net	4,373,277	8,036,064	12,409,341
Total additions	4,662,896	8,856,702	13,519,598
Deductions:			
Benefits paid to participants	1,443,076	5,209,646	6,652,722
Administrative expenses	88,249	-	88,249
Total deductions	1,531,325	5,209,646	6,740,971
Change in net position	3,131,571	3,647,056	6,778,627
Net position - beginning of year	43,175,519	84,812,855	127,988,374
Net position - end of year	\$ 46,307,090	\$ 88,459,911	\$ 134,767,001

This page is intentionally left blank.

Metropolitan Nashville Airport Authority

Schedule of Airport Revenue Bonds, Principal, and Interest Requirements by Fiscal Year

Year Ending June 30,	Series 2003B Revenue Bonds		CONRAC Refunding Revenue Bonds		Series 2015A Revenue Bonds ⁽¹⁾		Series 2015B Revenue Bonds ⁽¹⁾		Subordinate Series 2019A Revenue Bonds ⁽¹⁾	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	805,000	525,245	3,468,000	443,220	2,255,000	3,808,700	2,775,000	4,399,219	2,965,000	12,147,625
2027	855,000	475,943	3,587,550	321,593	2,350,000	3,716,600	2,885,000	4,271,594	3,120,000	11,995,625
2028	905,000	423,671	3,711,220	195,773	2,440,000	3,620,800	3,030,000	4,123,716	3,270,000	11,835,750
2029	960,000	368,280	3,838,792	65,984	2,540,000	3,508,500	3,180,000	3,968,469	3,430,000	11,661,250
2030	1,015,000	309,623	-	-	2,665,000	3,378,375	3,340,000	3,805,469	3,600,000	11,492,500
2031	1,075,000	247,550	-	-	2,800,000	3,241,750	3,505,000	3,634,344	3,790,000	11,307,750
2032	1,140,000	181,764	-	-	2,940,000	3,098,250	3,680,000	3,454,719	3,970,000	11,113,750
2033	1,210,000	111,969	-	-	3,085,000	2,947,625	3,865,000	3,266,092	4,175,000	10,910,125
2034	1,280,000	38,016	-	-	3,240,000	2,789,500	4,060,000	3,067,969	4,380,000	10,696,250
2035	-	-	-	-	3,405,000	2,623,375	4,260,000	2,859,969	5,000,000	10,461,750
2036	-	-	-	-	3,575,000	2,448,875	4,475,000	2,641,594	5,245,000	12,205,625
2037	-	-	-	-	-	2,359,500	-	2,529,719	5,640,000	10,933,500
2038	-	-	-	-	-	2,359,500	-	2,529,719	5,920,000	9,844,500
2039	-	-	-	-	-	2,359,500	-	2,529,719	6,210,000	9,341,250
2040	-	-	-	-	-	2,359,500	-	2,529,719	6,530,000	9,186,000
2041	-	-	-	-	20,730,000	1,841,250	23,525,000	1,941,593	-	9,186,000
2042	-	-	-	-	-	1,323,000	-	1,353,470	-	9,186,000
2043	-	-	-	-	-	1,323,000	-	1,353,466	-	9,186,000
2044	-	-	-	-	-	1,323,000	17,130,000	925,220	-	9,186,000
2045	-	-	-	-	-	1,323,000	-	496,970	37,870,000	8,076,000
2046	-	-	-	-	26,460,000	661,500	12,825,000	248,485	-	6,966,000
2047	-	-	-	-	-	-	-	-	-	6,966,000
2048	-	-	-	-	-	-	-	-	-	6,966,000
2049	-	-	-	-	-	-	-	-	-	6,966,000
2050	-	-	-	-	-	-	-	-	64,200,000	5,486,000
2051	-	-	-	-	-	-	-	-	-	4,006,000
2052	-	-	-	-	-	-	-	-	-	4,006,000
2053	-	-	-	-	-	-	-	-	-	4,006,000
2054	-	-	-	-	-	-	-	-	-	4,006,000
2055	-	-	-	-	-	-	-	-	85,120,000	2,003,000
	9,245,000	2,682,061	14,605,562	1,026,570	78,485,000	52,415,100	92,535,000	55,931,234	254,435,000	261,130,250
Bond Premium	-	-	-	-	9,219,183	-	8,485,825	-	47,980,042	-
	\$ 9,245,000	\$ 2,682,061	\$ 14,605,562	\$ 1,026,570	\$ 87,704,183	\$ 52,415,100	\$ 101,020,825	\$ 55,931,234	\$ 302,415,042	\$ 261,130,250

⁽¹⁾ There are several term bonds in the 2015, 2019, and 2022 Bonds, and on this schedule, only the full amount of the term bonds are shown. In each series, there are annual mandatory sinking fund redemptions, therefore there are no bullet maturities. See the 2015, 2019, and 2022 Official Statements for annual principal payments for all term bonds.

Metropolitan Nashville Airport Authority

Schedule of Airport Revenue Bonds, Principal, and Interest Requirements by Fiscal Year

Subordinate Series 2019B Revenue Bonds ⁽¹⁾		Series 2022A Revenue Bonds ⁽¹⁾		Series 2022B Revenue Bonds ⁽¹⁾		Total Debt Service		
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total
7,920,000	31,934,500	-	4,781,012	-	26,737,837	\$ 20,188,000	\$ 84,777,358	\$ 104,965,358
8,315,000	31,528,625	1,720,000	4,738,012	8,855,000	26,516,462	31,687,550	83,564,454	115,252,004
8,735,000	31,102,375	1,810,000	4,649,762	9,290,000	26,062,840	33,191,220	82,014,687	115,205,907
9,170,000	30,654,750	1,900,000	4,557,013	9,755,000	25,586,712	34,773,792	80,370,958	115,144,750
9,625,000	30,184,875	1,990,000	4,459,764	10,240,000	25,086,835	32,475,000	78,717,441	111,192,44
10,110,000	29,691,500	2,090,000	4,357,761	10,755,000	24,561,963	34,125,000	77,042,618	111,167,61
10,610,000	29,173,500	2,195,000	4,250,638	11,295,000	24,010,713	35,830,000	75,283,334	111,113,33
11,145,000	28,629,625	2,305,000	4,138,138	11,855,000	23,417,144	37,640,000	73,420,718	111,060,71
11,700,000	28,058,500	2,425,000	4,019,888	12,475,000	22,778,481	39,560,000	71,448,604	111,008,604
13,240,000	27,435,000	2,545,000	3,895,638	13,140,000	22,106,086	41,590,000	69,381,818	110,971,81
13,905,000	26,756,675	2,670,000	3,765,260	13,820,000	21,398,388	43,690,000	68,216,417	112,906,417
14,920,000	26,036,050	2,805,000	3,628,388	14,545,000	20,635,625	37,910,000	66,122,782	104,032,782
15,655,000	25,271,375	2,945,000	3,484,638	15,350,000	19,813,513	39,870,000	63,103,245	102,973,245
16,445,000	24,468,875	3,090,000	3,333,763	16,200,000	18,945,884	41,945,000	60,978,991	102,923,991
17,260,000	23,626,550	3,245,000	3,175,388	17,090,000	18,030,414	44,125,000	58,907,571	103,032,571
-	23,195,350	3,410,000	3,009,013	18,030,000	17,064,613	65,695,000	56,237,819	121,932,819
-	23,195,350	3,580,000	2,834,268	19,010,000	16,046,013	22,590,000	53,938,101	76,528,101
-	23,195,350	3,755,000	2,650,888	20,055,000	14,971,725	23,810,000	52,680,429	76,490,429
-	23,195,350	-	2,557,013	-	14,420,208	17,130,000	51,606,791	68,736,791
100,175,000	20,690,675	-	2,557,013	-	14,420,208	138,045,000	47,563,866	185,608,866
-	18,186,000	-	2,557,013	-	14,420,213	39,285,000	43,039,211	82,324,211
-	18,186,000	-	2,557,013	-	14,420,213	-	42,129,226	42,129,226
-	18,186,000	21,905,000	1,982,003	117,515,000	11,335,444	139,420,000	38,469,447	177,889,447
-	18,186,000	-	1,407,000	-	8,250,675	-	34,809,675	34,809,675
166,170,000	14,281,750	-	1,407,000	-	8,250,675	230,370,000	29,425,425	259,795,425
-	10,377,500	-	1,407,000	-	8,250,675	-	24,041,175	24,041,175
-	10,377,500	-	1,407,000	-	8,250,675	-	24,041,175	24,041,175
-	10,377,500	28,140,000	703,500	152,285,000	4,125,338	180,425,000	19,212,338	199,637,338
-	10,377,500	-	-	-	-	-	14,383,500	14,383,500
220,050,000	5,188,750	-	-	-	-	305,170,000	7,191,750	312,361,750
665,150,000	671,749,350	94,525,000	88,270,787	501,560,000	499,915,572	1,710,540,562	1,633,120,924	3,343,661,486
113,256,971	-	6,529,156	-	24,255,001	-	209,726,178	-	209,726,178
\$ 778,406,971	\$ 671,749,350	\$ 101,054,156	\$ 88,270,787	\$ 525,815,001	\$ 499,915,572	\$ 1,920,266,740	\$ 1,633,120,924	\$ 3,553,387,664

Metropolitan Nashville Airport Authority
Schedule of Changes in Long-term Debt by Individual Issue
June 30, 2025

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding July 1, 2024	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding June 30, 2025
Nashville International Airport									
NOTES PAYABLE									
Payable through general fund									
Geothermal Loan	4,300,000	2.78%	07/01/2015	06/30/2031	\$ 2,288,911	\$ -	\$ (309,136)	\$ -	\$ 1,979,775
Total notes payable through general fund					\$ 2,288,911	\$ -	\$ (309,136)	\$ -	\$ 1,979,775
BONDS PAYABLE									
Payable through general fund									
General Airport Revenue Bond, Series 2003B	\$ 19,585,000	5.49 to 5.94%	11/01/2003	07/01/2033	\$ 10,005,000	\$ -	\$ (760,000)	\$ -	\$ 9,245,000
General Airport Revenue Bond, Series 2015A	91,855,000	4.0 to 5.0%	12/01/2015	07/01/2045	80,655,000	-	(2,170,000)	-	78,485,000
General Airport Revenue Bond, Series 2015B	108,145,000	4.0 to 5.0%	12/01/2015	07/01/2045	95,175,000	-	(2,640,000)	-	92,535,000
Subordinate, General Airport Revenue Bond, Series 2019A	254,435,000	4.0 to 5.0%	12/17/2019	07/01/2054	254,435,000	-	-	-	254,435,000
Subordinate, General Airport Revenue Bond, Series 2019B	665,150,000	4.0 to 5.0%	12/17/2019	07/01/2054	665,150,000	-	-	-	665,150,000
General Airport Revenue Bond, Series 2022A					94,525,000	-	-	-	94,525,000
General Airport Revenue Bond, Series 2022B					501,560,000	-	-	-	501,560,000
Total bonds payable through general fund					\$ 1,701,505,000	\$ -	\$ (5,570,000)	\$ -	\$ 1,695,935,000
Payable through customer facility charges									
CONRAC, Series 2018	\$ 27,358,295	3.40%	05/01/2018	07/01/2028	\$ 17,956,357	-	(3,350,795)	-	\$ 14,605,562
Total bonds payable through customer facility charges					\$ 17,956,357	\$ -	\$ (3,350,795)	\$ -	\$ 14,605,562
OTHER DEBT									
Payable through general fund									
BNA Credit Facility	Maximum	Taxable 5.14%	10/30/2024	10/29/2027	\$ 30,079,067	\$ 56,349,563	\$ (14,261,727)	\$ -	\$ 72,166,903
	\$ 400,000,000	Nontaxable 4.00%							
Total other long-term debt payable through general fund					\$ 30,079,067	\$ 56,349,563	\$ (14,261,727)	\$ -	\$ 72,166,903

This part of the Authority's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary 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 110, 113, and 114)

Revenue Capacity

These schedules contain information to help the reader assess the Authority's most significant revenue sources (schedules on pages 111, 112, 116, and 117)

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 113 and 115)

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 118, 119, and 120)

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 119)

Metropolitan Nashville Airport Authority

Statistical Information

Metropolitan Nashville Airport Authority Change in Net Position As of June 30 for Each of the Years Presented

	2025	2024	2023	2022	2021	2020	2019	(as restated) 2018	(as restated) 2017	2016
Operating Revenues:										
Terminal building rental and fees	\$ 66,386,710	\$ 47,725,771	\$ 34,898,168	\$ 31,951,063	\$ 22,445,648	\$ 21,989,398	\$ 25,350,272	\$ 21,079,135	\$ 12,869,977	\$ 10,086,594
Landing and related fees	51,726,343	54,194,103	32,321,272	26,498,354	26,818,385	26,955,903	34,630,205	30,881,319	22,667,799	22,946,590
Parking	113,203,532	111,147,005	99,244,129	78,086,608	28,175,988	42,434,887	53,875,967	51,045,975	44,669,588	42,454,589
Car rental	26,355,596	25,502,274	24,495,923	20,451,716	12,656,024	14,144,301	16,182,534	15,187,320	13,598,371	13,049,632
Space rental	24,745,370	17,395,073	22,967,443	20,142,386	15,469,797	14,918,277	14,611,554	15,046,018	13,112,838	11,228,227
Concession	20,848,570	24,011,968	18,063,697	16,785,708	9,411,265	10,689,143	14,345,274	13,359,183	11,923,944	9,899,706
Ground transportation	18,176,625	16,911,757	14,960,927	10,987,529	3,919,824	6,202,648	6,417,493	4,903,335	3,700,823	3,385,013
Other	5,016,484	5,725,716	7,650,805	5,325,500	9,722,628	6,584,081	4,619,295	2,977,332	5,552,881	3,139,167
Total Operating Revenues	326,459,230	302,613,667	254,602,364	210,228,864	128,619,559	143,918,638	170,032,594	154,479,617	128,096,221	116,189,518
Operating Expenses:										
Salaries, wages and fringe benefits	51,756,371	49,830,121	39,212,410	37,663,363	25,133,488	36,981,912	38,420,196	32,859,001	33,323,344	35,205,048
Professional and other contractual services	41,786,237	29,165,587	26,009,193	22,550,510	16,490,438	20,838,494	17,078,162	14,707,566	9,614,880	9,120,841
Shuttle bus services	17,206,032	13,254,850	7,434,123	6,412,141	3,078,359	5,442,025	5,969,979	5,932,410	5,171,654	4,951,311
Janitorial services	15,791,577	15,826,096	11,856,848	8,782,457	7,100,572	4,793,999	4,121,382	3,635,974	2,758,704	2,722,702
Parking management	15,137,226	13,135,892	12,359,364	9,311,704	4,756,226	5,795,149	10,041,662	8,400,891	7,319,870	5,569,785
Utilities	11,249,251	8,779,086	8,640,221	7,002,019	5,598,234	5,868,042	6,019,730	5,353,051	5,764,258	5,770,200
Materials and supplies	8,679,362	9,431,679	6,631,337	4,857,791	3,674,391	4,544,743	4,291,755	4,072,984	3,720,487	3,557,082
Repairs and maintenance services	8,100,182	8,635,281	4,561,149	4,582,890	3,579,268	5,329,375	4,219,755	4,112,991	3,668,313	3,798,390
Insurance	5,198,729	5,318,692	3,481,751	2,148,338	1,913,299	1,441,580	1,336,036	1,301,012	1,225,112	1,204,987
Other	5,705,551	5,662,165	5,679,442	9,654,412	3,210,854	5,400,424	8,215,274	4,886,364	4,997,955	4,032,835
Total Operating Expenses	180,610,518	159,039,449	125,865,838	112,965,625	74,535,129	96,435,743	99,713,931	85,262,244	77,564,577	75,933,181
Provision for Depreciation	141,889,461	117,553,933	85,872,221	79,273,711	53,383,630	49,768,473	44,497,442	39,914,221	38,979,958	37,223,834
Nonoperating Revenues:										
Investment income (loss)	62,149,267	62,087,598	31,040,249	(4,756,436)	1,647,674	23,723,090	7,703,826	2,149,362	730,198	333,542
Passenger facility charges	46,775,211	44,734,128	41,531,943	35,678,032	20,253,069	26,384,555	31,416,941	28,300,013	25,982,494	23,735,979
Customer facility charges	25,801,636	17,283,641	15,494,211	12,939,489	8,365,388	11,827,674	15,094,273	14,290,386	13,561,430	12,956,481
Other nonoperating revenues	14,551,134	39,194,429	39,271,115	28,345,443	36,580,521	12,032,061	-	130,025	86,599	614,433
Total Nonoperating Revenues	149,277,248	163,299,796	127,337,518	72,206,528	66,846,652	73,967,380	54,215,040	44,869,786	40,360,721	37,640,435
Nonoperating Expenses:										
Debt-related expenses	81,214,909	79,534,325	70,545,732	50,168,719	49,322,732	37,994,910	13,267,265	10,262,472	10,299,910	8,874,244
Other nonoperating expenses	-	-	-	(67,615)	2,160,638	112,570	16,170,808	548,726	(461,510)	1,234,522
Total Nonoperating Expenses	81,214,909	79,534,325	70,545,732	50,101,104	51,483,370	38,107,480	29,438,073	10,811,198	9,838,400	10,108,766
Capital Contributions	34,469,692	33,822,954	58,983,376	29,762,836	31,356,438	21,287,199	18,178,942	15,010,688	14,552,791	28,763,278
Increase in Net Position	106,491,282	143,608,710	158,639,467	69,857,788	47,420,520	54,861,521	68,777,130	78,372,428	56,626,798	59,327,450
Total Net Position - End of Year	\$ 1,307,166,949	\$ 1,200,675,667	\$ 1,057,066,957	\$ 898,427,490	\$ 828,569,702	\$ 781,149,182	\$ 726,287,661	\$ 657,510,531	\$ 579,138,103	\$ 522,511,305

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.

**Metropolitan Nashville Airport Authority
Statistical Information**

Nashville International Airport Cost per Enplaned Passenger (CPEP)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Signatory Airlines:										
Space and ramp fees	\$ 68,195	\$ 49,473	\$ 35,209	\$ 33,821	\$ 25,162	\$ 25,268	\$ 34,170	\$ 28,288	\$ 12,245	\$ 11,399
Landing fees	42,155	45,492	24,535	20,575	22,333	20,744	21,094	19,804	18,427	19,162
Total signatory revenue	110,350	94,965	59,744	54,396	47,495	46,012	55,264	48,092	30,672	30,561
Signatory enplaned (000s)	12,045	11,536	10,649	9,106	5,119	6,703	8,306	7,349	6,571	6,021
Cost per Signatory Enplaned	\$ 9.16	\$ 8.23	\$ 5.61	\$ 5.97	\$ 9.28	\$ 6.86	\$ 6.65	\$ 6.54	\$ 4.67	\$ 5.08
Non-signatory Airlines:										
Space and ramp fees	\$ 3,457	\$ 2,961	\$ 3,278	\$ 1,314	\$ 606	\$ 866	\$ 1,674	\$ 1,108	\$ 1,747	\$ 502
Landing fees	2,273	2,105	1,801	859	351	1,450	2,399	1,203	979	657
Total non-signatory revenue	5,730	5,066	5,079	2,173	957	2,316	4,073	2,311	2,726	1,159
Non-signatory enplaned (000s)	340	289	271	112	33	156	290	117	219	120
Cost per Non-signatory Enplaned	\$ 16.85	\$ 17.53	\$ 18.74	\$ 19.40	\$ 29.00	\$ 14.85	\$ 14.04	\$ 19.75	\$ 12.45	\$ 9.66
Summary Analysis:										
Total signatory & non-signatory revenue	\$ 116,080	\$ 100,031	\$ 64,823	\$ 56,569	\$ 48,452	\$ 48,328	\$ 59,337	\$ 50,403	\$ 33,398	\$ 31,720
Blended Cost per Enplaned	\$ 9.37	\$ 8.46	\$ 5.94	\$ 6.14	\$ 9.40	\$ 7.05	\$ 6.90	\$ 6.75	\$ 4.92	\$ 5.17
Operating revenues (BNA only)	\$ 317,088	\$ 295,958	\$ 247,818	\$ 205,402	\$ 124,523	\$ 139,513	\$ 165,926	\$ 150,498	\$ 124,093	\$ 112,946
Total enplaned (includes charters)	12,385	11,825	10,920	9,218	5,152	6,859	8,596	7,466	6,790	6,141
Operating Revenues per Enplaned	\$ 25.60	\$ 25.03	\$ 22.69	\$ 22.28	\$ 24.17	\$ 20.34	\$ 19.30	\$ 20.16	\$ 18.28	\$ 18.39

Source: Metropolitan Nashville Airport Authority Finance Department Records.

See accompanying independent auditor's report.

Metropolitan Nashville Airport Authority Statistical Information

Metropolitan Nashville Airport Authority Operating Revenues Analysis - Activity Detail

Signatory & non-signatory rate history effective July 1 of each fiscal year (unless noted below).

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Signatory Rates:										
Landing fee	\$ 3.11	\$ 3.50	\$ 2.06	\$ 2.04	\$ 2.23	\$ 2.52	\$ 3.09	\$ 3.21	\$ 2.99	\$ 3.25
Ramp fees	\$ 3.21	\$ 3.56	\$ 2.63	\$ 1.69	\$ 1.82	\$ 2.07	\$ 2.23	\$ 2.34	\$ 1.71	\$ 1.71
Main terminal	\$ 176.93	\$ 173.17	\$ 116.55	\$ 111.00	\$ 108.29	\$ 105.65	\$ 103.07	\$ 100.55	\$ 90.00	\$ 90.00
North concourse	\$ 176.93	\$ 173.17	\$ 116.55	\$ 111.00	\$ 108.29	\$ 105.65	\$ 103.07	\$ 100.55	\$ 90.00	\$ 90.00
South concourse	\$ 176.93	\$ 173.17	\$ 116.55	\$ 111.00	\$ 108.29	\$ 105.65	\$ 103.07	\$ 100.55	\$ 90.00	\$ 90.00
Satellite concourse	\$ 172.50	\$ 169.04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The Authority entered into a new Signatory Airline Use and Lease Agreement effective July 1, 2023.

The satellite concourse opened for use during fiscal year 2024.

Non-signatory Rates:

Landing fee	\$ 3.89	\$ 4.37	\$ 3.54	\$ 3.57	\$ 3.69	\$ 3.84	\$ 4.29	\$ 4.23	\$ 3.74	\$ 4.07
Per use fee (see note below)	\$ 6.84	\$ 6.53	\$ 5.00	\$ 5.00	\$ 5.44	\$ 3.38	\$ 4.30	\$ 3.55	\$ 3.51	\$ 3.66
Ramp	\$ 3.21	\$ 3.56	\$ 3.29	\$ 2.11	\$ 2.28	\$ 2.59	\$ 2.79	\$ 2.93	\$ 2.14	\$ 2.14
Main terminal	\$ 176.93	\$ 216.71	\$ 145.69	\$ 138.75	\$ 135.36	\$ 132.06	\$ 128.84	\$ 125.69	\$ 112.50	\$ 112.50
North concourse	\$ 176.93	\$ 216.71	\$ 145.69	\$ 138.75	\$ 135.36	\$ 132.06	\$ 128.84	\$ 125.69	\$ 112.50	\$ 112.50
South concourse	\$ 176.93	\$ 216.71	\$ 145.69	\$ 138.75	\$ 135.36	\$ 132.06	\$ 128.84	\$ 125.69	\$ 112.50	\$ 112.50

Per the airline agreement effective July 1, 2023, 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:

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Parking lot revenue (000s)	\$ 113,204	\$ 111,147	\$ 99,244	\$ 78,087	\$ 28,176	\$ 42,435	\$ 53,876	\$ 51,046	\$ 44,670	\$ 42,455
Spaces available	15,507	16,335	15,432	13,943	13,968	13,377	11,169	11,172	12,203	14,041
Revenue per Space	\$ 7,300	\$ 6,804	\$ 6,431	\$ 5,600	\$ 2,017	\$ 3,172	\$ 4,824	\$ 4,569	\$ 3,661	\$ 3,024
Garages	6,479	6,526	6,278	4,789	4,814	4,192	2,201	2,318	2,369	2,369
Terminal Lot A	1,285	1,285	1,125	1,125	1,125	1,125	1,034	830	1,810	2,060
Economy Lot B	1,478	2,124	2,124	2,124	2,124	2,124	2,124	2,124	2,124	2,124
Economy Lot C	3,585	3,495	3,625	3,625	3,625	3,625	3,499	3,625	3,625	3,690
BNA Express	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230
Valet	1,450	1,675	1,050	1,050	1,050	1,081	1,081	1,045	1,045	1,152
Overflow	-	-	-	-	-	-	-	-	-	1,416
Public Parking Spaces	15,507	16,335	15,432	13,943	13,968	13,377	11,169	11,172	12,203	14,041

Economy 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 closed in the last quarter of fiscal year 2020 and remains closed to incoming traffic. It is now used for Valet/Overflow parking as needed.

The onsite hotel parking garage contains 150 parking spaces, which are not included in the Revenue per Space analysis.

Source: Metropolitan Nashville Airport Authority Finance Department Records.

See accompanying independent auditor's report.

Metropolitan Nashville Airport Authority

Statistical Information

Metropolitan Nashville Airport Authority Schedule of Net Capital Assets At June 30 for Each Year Presented

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Land and nondepreciable assets	\$ 111,384,271	\$ 113,265,170	\$ 111,226,323	\$ 108,112,921	\$ 107,554,524	\$ 105,115,818	\$ 97,169,587	\$ 97,169,587	\$ 96,968,771	\$ 96,968,770
Construction in progress	272,054,227	212,924,038	358,877,117	448,196,055	301,079,238	139,067,964	233,273,255	153,579,003	72,814,778	42,890,290
Total capital assets not being depreciated	383,438,498	326,189,208	470,103,440	556,308,976	408,633,762	244,183,782	330,442,842	250,748,590	169,783,549	139,859,060
Infrastructure	857,239,366	815,353,882	728,661,124	693,670,381	618,570,710	613,663,559	588,779,486	576,918,742	561,704,513	541,464,084
Buildings and building improvements	1,245,824,188	1,128,498,583	952,350,604	764,568,968	718,298,100	841,349,251	422,874,974	315,970,461	298,911,276	264,629,088
Equipment, furniture and fixtures	789,699,643	721,348,402	567,644,400	392,443,748	393,243,815	194,396,606	183,211,887	182,051,284	165,348,939	129,795,510
Subscription leases	5,333,709	3,777,401	2,244,691	698,216	-	-	-	-	-	-
Total capital assets being depreciated	2,898,096,906	2,668,978,268	2,250,900,819	1,851,381,313	1,730,112,625	1,649,409,416	1,194,866,347	1,074,940,487	1,025,964,728	935,888,682
Less accumulated depreciation	(1,131,364,853)	(997,534,239)	(880,733,537)	(795,262,079)	(717,693,502)	(668,885,544)	(627,078,709)	(615,032,739)	(578,686,474)	(539,922,435)
Net Capital Assets	\$ 2,150,170,551	\$ 1,997,633,237	\$ 1,840,270,722	\$ 1,612,428,210	\$ 1,421,052,885	\$ 1,224,707,654	\$ 898,230,480	\$ 710,656,338	\$ 617,061,803	\$ 535,825,307

Ratios of Outstanding Revenue Bond Debt as a Percentage of Total Revenue Bond Debt At June 30 for Each Year Presented

	2025	%	2024	2023	2022	2021	2020	2019	2018	2017	2016
Series 2003B Revenue Bonds	\$ 9,245,000	0.5%	\$ 10,005,000	\$ 10,725,000	\$ 11,405,000	\$ 12,050,000	\$ 13,235,000	\$ 13,235,000	\$ 14,785,000	\$ 14,785,000	\$ 14,785,000
Series 2008A Revenue Bonds	-	N/A	-	-	-	-	-	3,800,000	7,400,000	10,800,000	12,000,000
Series 2009A Revenue Bonds	-	N/A	-	-	-	-	-	7,970,000	12,160,000	16,180,000	20,040,000
Series 2010A Revenue Bonds	-	N/A	-	-	-	-	-	-	-	3,835,000	7,525,000
Series 2010 CONRAC Revenue Bonds	-	N/A	-	-	-	-	3,000,000	5,840,000	8,535,000	56,695,000	58,980,000
Series 2018 CONRAC Revenue Bonds	14,605,562	0.9%	17,956,357	21,197,130	24,329,910	27,358,295	27,358,295	27,358,295	27,358,295	-	-
Series 2010C Revenue Bonds	-	N/A	-	-	-	-	-	-	-	-	1,740,000
Series 2015A Revenue Bonds	78,485,000	4.6%	80,655,000	82,740,000	84,745,000	86,655,000	88,475,000	90,205,000	91,855,000	91,855,000	91,855,000
Series 2015B Revenue Bonds	92,535,000	5.4%	95,175,000	97,690,000	100,085,000	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	14.9%	254,435,000	254,435,000	254,435,000	254,435,000	254,435,000	-	-	-	-
Series 2019B Revenue Bonds	665,150,000	38.9%	665,150,000	665,150,000	665,150,000	665,150,000	665,150,000	-	-	-	-
Series 2022A Revenue Bonds	94,525,000	5.5%	94,525,000	94,525,000	-	-	-	-	-	-	-
Series 2022B Revenue Bonds	501,560,000	29.3%	501,560,000	501,560,000	-	-	-	-	-	-	-
Total Revenue Bonds	1,710,540,562	100.0%	1,719,461,357	1,728,022,130	1,140,149,910	1,148,013,295	1,156,188,295	255,023,295	270,238,295	302,295,000	315,070,000
Plus unamortized premium	209,726,178	N/A	217,196,514	224,666,851	197,994,759	204,345,671	210,686,583	23,016,511	24,158,916	25,296,995	26,648,869
Net Outstanding Debt	\$ 1,920,266,740	N/A	\$ 1,936,657,871	\$ 1,952,688,981	\$ 1,338,144,669	\$ 1,352,358,966	\$ 1,366,874,878	\$ 278,039,806	\$ 294,397,211	\$ 327,591,995	\$ 341,718,869
Enplanements	12,385,378	N/A	11,826,204	10,919,899	9,217,710	5,151,658	6,858,395	8,596,307	7,466,332	6,790,099	6,141,092
Net Outstanding Debt per Enplanement	\$ 155.04	N/A	\$ 163.76	\$ 178.82	\$ 145.17	\$ 262.51	\$ 199.30	\$ 32.34	\$ 39.43	\$ 48.25	\$ 55.65

Source: Metropolitan Nashville Airport Authority Finance Department Records.

See accompanying independent auditor's report.

Metropolitan Nashville Airport Authority Statistical Information

Metropolitan Nashville Airport Authority Net Position Analysis (000s) At June 30 for Each Year Presented

	2025	2024	2023	2022	2021	2020	2019	2018	(as restated) 2017	(as restated) 2016
Net Position:										
Net investment in capital assets	\$ 150,510	\$ 261,220	\$ 278,592	\$ 363,710	\$ 376,713	\$ 397,961	\$ 507,479	\$ 502,945	\$ 441,690	\$ 419,177
Restricted	576,916	494,457	469,822	342,088	315,174	307,948	154,036	80,172	80,759	70,955
Unrestricted net position (deficit)	579,741	444,999	308,653	192,629	136,683	75,240	64,772	74,394	56,689	32,379
Total	\$ 1,307,167	\$ 1,200,676	\$ 1,057,067	\$ 898,427	\$ 828,570	\$ 781,149	\$ 726,287	\$ 657,511	\$ 579,138	\$ 522,511

Source: Audited Financial Statements of the Metropolitan Nashville Airport Authority.

See accompanying independent auditor's report.

Metropolitan Nashville Airport Authority Statistical Information

Nashville International Airport (Senior Debt) Revenue Coverage (000s)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Operating Revenue	\$ 317,615	\$ 295,958	\$ 247,818	\$ 205,402	\$ 124,523	\$ 139,513	\$ 165,926	\$ 150,498	\$ 124,093	\$ 112,946
Less Operating Expenses (excludes depreciation)	(176,578)	(155,817)	(119,102)	(108,151)	(68,010)	(88,803)	(97,743)	(83,088)	(74,999)	(74,207)
Add Investment Income (Loss)	60,673	60,673	30,413	(4,934)	1,635	23,640	7,677	2,148	728	331
COVERAGE CASH FLOW	\$ 201,710	\$ 200,814	\$ 159,129	\$ 92,317	\$ 58,148	\$ 74,350	\$ 75,860	\$ 69,558	\$ 49,822	\$ 39,070
INTEREST	\$ 27,370	\$ 8,517	\$ 5,481	\$ 3,941	\$ 3,859	\$ 7,876	\$ 11,920	\$ 6,787	\$ 3,420	\$ 6,672
PRINCIPAL	4,616	3,517	2,406	2,204	1,900	3,886	6,072	7,325	3,915	3,430
TOTAL NET DEBT SERVICE	\$ 31,986	\$ 12,034	\$ 7,887	\$ 6,145	\$ 5,759	\$ 11,762	\$ 17,992	\$ 14,112	\$ 7,335	\$ 10,102
DEBT SERVICE COVERAGE	630.6%	1668.7%	2017.6%	1502.3%	1009.7%	632.1%	421.6%	492.9%	679.2%	386.8%

Nashville International Airport (Senior/Subordinate Debt) Revenue Coverage (000s)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Operating Revenue	\$ 317,615	\$ 295,958	\$ 247,818	\$ 205,402	\$ 124,523	\$ 139,513	\$ 165,926	\$ 150,498	\$ 124,093	\$ 112,946
Less Operating Expenses (excludes depreciation)	(176,578)	(155,817)	(119,102)	(108,151)	(68,010)	(88,803)	(97,743)	(83,088)	(74,999)	(74,207)
Add Investment Income (Loss)	60,673	60,673	30,413	(4,934)	1,635	23,640	7,677	2,148	728	331
COVERAGE CASH FLOW	\$ 201,710	\$ 200,814	\$ 159,129	\$ 92,317	\$ 58,148	\$ 74,350	\$ 75,860	\$ 69,558	\$ 49,822	\$ 39,070
INTEREST	\$ 47,932	\$ 15,700	\$ 17,676	\$ 16,064	\$ 9,449	\$ 9,734	\$ 11,920	\$ 6,787	\$ 3,420	\$ 6,672
PRINCIPAL	9,662	3,517	2,406	2,204	1,900	4,026	6,072	7,325	3,915	3,430
TOTAL NET DEBT SERVICE	\$ 57,594	\$ 19,217	\$ 20,082	\$ 18,268	\$ 11,349	\$ 13,760	\$ 17,992	\$ 14,112	\$ 7,335	\$ 10,102
DEBT SERVICE COVERAGE	350.2%	1045.0%	792.4%	505.3%	512.4%	540.3%	421.6%	492.9%	679.2%	386.8%

CFC - 2010 & 2018 CONRAC Revenue Coverage (000s)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Customer Facility Charges	\$ 25,802	\$ 17,284	\$ 15,494	\$ 12,939	\$ 8,365	\$ 11,828	\$ 15,094	\$ 14,290	\$ 13,561	\$ 12,956
Less Operating Expenses (excludes depreciation)	(2,290)	(1,883)	(1,727)	(3,045)	(1,715)	(1,607)	(1,681)	(1,537)	(1,585)	(1,500)
Add Investment Income	3,576	3,441	1,488	70	152	289	261	45	34	21
COVERAGE CASH FLOW	\$ 27,088	\$ 18,842	\$ 15,255	\$ 9,964	\$ 6,802	\$ 10,510	\$ 13,674	\$ 12,798	\$ 12,010	\$ 11,477
INTEREST	\$ 503	\$ 562	\$ 674	\$ 784	\$ 1,029	\$ 1,186	\$ 944	\$ 3,282	\$ 3,571	\$ 3,673
PRINCIPAL	3,468	3,351	3,243	3,134	3,000	2,840	2,695	20,802	2,480	2,285
TOTAL NET DEBT SERVICE	\$ 3,971	\$ 3,913	\$ 3,917	\$ 3,918	\$ 4,029	\$ 4,026	\$ 3,639	\$ 24,084	\$ 6,051	\$ 5,958
DEBT SERVICE COVERAGE	682.1%	481.5%	389.5%	254.3%	168.8%	261.1%	375.8%	53.1%	198.5%	192.6%

Net debt service is total debt service less PFC- and CRRSA/ARPA-funded debt service, and Capitalized Interest.

Source: Metropolitan Nashville Airport Authority Finance Department Records.

See accompanying independent auditor's report.

Metropolitan Nashville Airport Authority
Statistical Information

Nashville International Airport Passenger Enplanements Market Share

	% of Total	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Signatory Airlines:											
Alaska Airlines	1.5%	188,748	156,015	113,995	102,762	64,928	87,807	115,960	87,309	58,533	41,233
Allegiant Air	2.7%	337,838	464,553	407,726	252,591	136,565	115,305	-	-	-	-
American Airlines	13.6%	1,678,711	1,677,822	1,569,654	1,471,530	725,481	1,070,173	1,348,801	1,235,501	1,176,043	1,156,141
Delta Air Lines Inc.	12.1%	1,499,794	1,409,111	1,336,379	1,105,082	503,867	971,443	1,278,183	1,138,922	988,137	926,454
Frontier Airlines	0.9%	112,303	123,100	163,960	118,912	73,885	126,000	177,341	146,184	9,979	-
JetBlue	1.2%	154,510	163,373	228,078	149,302	44,914	99,316	138,189	130,541	138,985	22,570
Southwest Airlines	53.7%	6,646,369	6,103,524	5,575,049	4,945,583	3,091,692	3,571,632	4,517,284	4,009,180	3,655,441	3,426,391
Spirit Airlines	3.9%	488,094	529,431	417,971	268,835	171,669	122,176	-	-	-	-
United Airlines	7.6%	938,919	909,899	835,968	691,107	306,115	539,013	730,243	600,988	543,704	448,396
Subtotal	97.2%	12,045,286	11,536,828	10,648,780	9,105,704	5,119,116	6,702,865	8,306,001	7,348,625	6,570,822	6,021,185
Non-signatory Airlines:											
Air Canada	0.6%	72,143	27,715	50,396	5,854	-	-	-	-	-	-
Air Canada d/b/a Jazz Air	0.1%	15,770	4,765	7,807	16,356	-	24,745	292	174	1,034	371
Air Georgian dba Air Canada	0.0%	-	-	-	-	-	8,549	45,204	44,229	42,739	29,589
Allegiant Air	0.0%	-	-	-	-	-	-	80,170	6,136	-	-
British Airways	0.6%	76,406	65,979	55,208	11,577	-	32,684	43,289	8,671	-	-
Contour Airlines	0.1%	11,947	22,889	26,363	20,091	9,741	12,303	14,290	10,432	8,038	-
Frontier Airlines	0.0%	-	-	-	-	-	-	-	-	130,449	71,840
Sun Country	0.4%	44,742	45,661	36,877	25,007	16,868	-	-	-	-	-
WestJet Airlines	0.6%	71,674	54,747	35,979	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)	0.4%	47,410	67,620	58,489	16,634	5,933	48,728	61,163	14,264	14,286	16,992
Subtotal	2.8%	340,092	289,376	271,119	112,006	32,542	155,530	290,306	117,707	219,277	119,907
Total	100.0%	12,385,378	11,826,204	10,919,899	9,217,710	5,151,658	6,858,395	8,596,307	7,466,332	6,790,099	6,141,092

Source: Metropolitan Nashville Airport Authority Finance Department Records.

See accompanying independent auditor's report.

Metropolitan Nashville Airport Authority Statistical Information

Nashville International Airport Passenger Airline Landed Weights (000's)

	% of Total	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Signatory Airline:											
Alaska Airlines	1.4%	196,514	164,433	110,669	100,654	93,408	104,358	129,001	99,354	55,390	43,248
Allegiant Air	2.6%	359,736	525,477	496,404	317,469	248,448	145,579	-	-	-	-
American Airlines	13.7%	1,931,802	1,908,020	1,779,567	1,693,950	945,038	1,356,238	1,549,447	1,415,662	1,352,169	1,332,377
Delta Air Lines Inc.	12.0%	1,695,158	1,525,552	1,461,428	1,260,848	871,462	1,147,250	1,427,507	1,287,034	1,148,263	1,051,357
Frontier Airlines	0.8%	118,907	135,636	172,070	118,797	82,863	130,207	166,271	140,496	8,784	-
JetBlue	1.2%	166,899	194,172	294,044	183,497	71,669	126,152	156,958	147,967	152,321	23,986
Southwest Airlines	53.2%	7,493,148	6,955,019	6,168,540	5,456,214	4,463,892	4,564,368	4,947,577	4,391,669	4,065,313	3,807,965
Spirit Airlines	3.8%	538,245	557,023	434,883	288,542	201,041	167,604	-	-	-	-
United Airlines	7.6%	1,077,060	1,045,775	992,581	813,331	442,277	707,738	859,945	683,646	614,443	485,586
Subtotal	96.3%	13,577,469	13,011,107	11,910,186	10,233,302	7,420,098	8,449,494	9,236,706	8,165,828	7,396,683	6,744,519
Non-signatory Airlines:											
Air Canada	0.4%	51,391	5,635	29,226	9,204	-	-	-	-	-	-
Air Canada d/b/a Jazz Air	0.1%	18,405	31,451	38,491	20,752	-	32,799	1,840	2,752	2,987	2,583
Air Georgian dba Air Canada	0.0%	-	-	-	-	-	8,997	48,594	47,422	47,610	33,506
British Airways	1.1%	153,590	132,510	128,525	25,200	-	85,225	101,865	15,960	-	-
Contour Airlines	0.2%	32,314	69,978	74,160	52,296	31,201	-	-	-	-	-
Frontier Airlines	0.0%	-	-	-	-	-	-	-	-	126,550	70,424
Sun Country	0.5%	67,518	64,859	107,159	51,273	34,377	-	-	-	-	-
SkyWest	0.1%	7,379	5,311	-	-	-	-	-	-	-	-
WestJet/Encore	0.6%	78,882	54,478	34,373	19,363	405	-	-	-	-	-
All Others (includes charters)	0.7%	102,511	141,460	91,827	49,861	29,048	175,116	262,979	102,944	94,068	46,700
Subtotal	3.7%	511,990	505,682	503,761	227,949	95,031	302,137	415,278	169,078	271,215	153,213
Total Passenger Carrier Weight (000s)	100.0%	14,089,459	13,516,789	12,413,947	10,461,251	7,515,129	8,751,631	9,651,984	8,334,906	7,667,898	6,897,732
Cargo & misc. carrier weight (000s)		305,142	306,770	504,127	582,109	354,109	276,583	300,413	305,994	285,758	305,642
Total Weight All Aircraft (000s)		14,394,601	13,823,559	12,918,074	11,043,360	7,869,238	9,028,214	9,952,397	8,640,900	7,953,656	7,203,374
% Passenger Carrier Weight		98%	98%	96%	95%	96%	97%	97%	96%	96%	96%

Differences between total gross landed weight summarized here and carrier-specific activity are attributable to adjustments made during the year. Charter activity continues 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.

Metropolitan Nashville Airport Authority Statistical Information

Major Tenants at Nashville International Airport and John C. Tune Airport

Signatory Carriers:

Alaska Airlines
Allegiant Air
American Airlines
Delta Air Lines
Frontier Airlines
JetBlue
Southwest Airlines
Spirit Airlines
United Airlines

Signatory Cargo Carriers:

Federal Express

Non-signatory Carriers:

Air Canada / Jazz Aviation
Air Canada Rouge
Avelo Airlines
Breeze Airways
British Airways
Commutair
Contour Airlines
Endeavor Air
Envoy
GoJet Airlines
Mesa Airlines
Republic Airways
SkyWest Airlines
Sun Country
Swift Air
VivaAerobus
WestJet
WestJet Encore

Non-signatory Cargo Carriers:

Air Transport Int'l.
Airborne Express
Amazon Prime
Atlas Air
DHL
Kalitta Air
Mountain Air Cargo
National Air Cargo

Fixed-base Operators:

Atlantic Aviation
Signature Flight Support

Private Hangar Rentals:

Hangar Lane LLC
Nashville Hangar
Owl Hill Holdings
SATA, Inc.
Sky Harbour
Skywest
The Martin Companies

Ground Handlers:

Airport Terminal Services (ATS)
Delta Global Services (DGS)
dnata
Dynair/Swissport
Fenix Logistix
Menzies Aviation
PrimeFlight Aviation
Trego Dugan
United Ground Express (GSE)

Other Airport Tenants:

121 @ BNA
Above and Beyond
Aircraft Services International
Airline Maint. Svcs
Embraer Aircraft Maintenance
Federal Aviation Administration
Metro Government of Nashville and Davidson County
Miller Transfer
Simino Electric
State of Tennessee
Swissport
TN Aeronautics Commission
TN Dept of Transportation
Transportation Security Administration
US Customs Border Patrol
US DEA
US Govt Weather Service

Other Terminal Tenants:

In-Ter-Space Services dba Clear Channel Airports
Fraport Tennessee
Ready Credit Corporation
Smarte Carte
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

Rental Car:

Avis
Budget
Dollar
Enterprise
Hertz
Payless
Sixt
Thrifty
Vanguard (Alamo/National)

Ground Transportation:

Hotel Shuttles
Taxicab Companies
Limousine Companies
TNCs (Uber, Lyft)

Tenants at John C. Tune Airport:

Contour Flight Support dba/Corporate
Flight Management
Helistar
Plane Hangar
Mid America Jet
Deez-Nuts LLC
Lawrence Hangar LLC
V3 Aviation LLC
Aero Management Group LLC
JetRight Properties LLC
Metropolitan Nashville Police Department

Metropolitan Nashville Airport Authority Statistical Information

Metropolitan Nashville Airport Authority Staffing - Full-time Equivalents

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Administration	182.0	164.0	114.0	107.0	91.0	109.0	100.0	89.5	87.5	89.5	89.5
Engineering & Maintenance	150.0	136.0	114.0	105.0	107.0	113.0	98.5	72.0	75.0	72.0	72.0
Operations, Safety, Security	142.0	130.0	114.0	107.0	108.0	110.0	112.5	134	126.5	125.5	127.0
Total Authority Full-time Equivalents	474.0	430.0	342.0	319.0	306.0	332.0	311.0	295.5	289.0	287.0	288.5

Nashville Metropolitan Statistical Area Average Unemployment Rate

<u>Year</u>	<u>Nashville MSA*</u>	<u>Tennessee</u>	<u>United States</u>
2025	3.7%	3.5%	4.1%
2024	3.0%	3.0%	4.1%
2023	3.0%	3.2%	3.6%
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%

Source: U.S Bureau of Labor Statistics (<http://data.bls.gov>)

Nashville-Davidson-Murfreesboro Metropolitan Statistical Area Population

<u>Year</u>	<u>Nashville MSA*</u>	<u>Tennessee</u>	<u>United States</u>
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.

Metropolitan Nashville Airport Authority Statistical Information

Nashville Area Top 25 Employers* (Ranked by Number of Local Employees)

2024	Staff	Employer	Headquarters	2023	Staff
1	32,081	Vanderbilt University Medical Center and Monroe Carroll Jr.	Nashville	1	30,324
2	27,694	HCA Healthcare Inc.	Nashville	2	27,694
3	27,308	State of Tennessee	Nashville	3	26,431
4	14,141	U.S. Government	Washington, DC	4	13,459
5	11,000	Nissan North America Inc.	Franklin	5	11,000
6	10,790	Metropolitan Nashville-Davidson County Public Schools	Nashville	6	10,513
7	10,563	Metropolitan Government of Nashville and Davidson County	Nashville	7	9,852
8	9,104	Ascension Saint Thomas	Nashville	8	8,900
9	8,400	Amazon	Seattle, WA	11	7,200
10	8,100	The Kroger Co.	Cincinnati, OH	9	8,100
11	7,441	Rutherford County Government and Board of Education	Murfreesboro	12	7,186
12	7,200	Williamson County Public Schools and County Government	Franklin	10	7,211
13	7,090	Vanderbilt University	Nashville	13	5,947
14	5,143	Community Health Systems Inc.	Franklin	15	5,004
15	5,100	Clarksville - Montgomery County School System	Clarksville	14	5,100
16	4,675	Sumner County Government and Public Schools	Gallatin	17	4,675
17	4,521	Western Express	Nashville	16	4,743
18	3,500	Fresh Hospitality	Nashville	18	3,500
19	3,400	Asurion	Nashville	19	3,400
20	3,197	Cracker Barrel Old Country Store Inc.	Lebanon, TN	29	2,352
21	3,115	Dollar General Corp.	Goodlettsville	22	3,000
22	3,083	United Healthcare	Minnetonka, MN	25	2,500
23	3,000	National Healthcare Corporation	Murfreesboro	21	3,028
24	2,824	Bridgestone Americas Inc.	Nashville	20	3,037
25	2,607	YMCA of Middle Tennessee Inc.	Nashville	25	2,500

*Ranked by number of Middle Tennessee employees as of June 7, 2024 publication.

Source: Nashville Business Journal

Middle Tennessee Largest 25 Public Companies**

2024	2023	Employer	Headquarters
1	1	HCA Healthcare Inc.	Nashville
2	2	Dollar General Corp.	Goodlettsville
3	4	Tractor Supply Co.	Brentwood
4	N/A	LKQ Corp.	Antioch
5	5	Community Health Systems Inc.	Franklin
6	3	Delek US Holdings Inc.	Brentwood
7	N/A	Ardent Health Inc.	Brentwood
8	6	Alliance Bernstein Holding	Nashville
9	7	Cracker Barrel Old Country Store Inc.	Lebanon
10	10	Acadia Healthcare	Franklin
11	9	Brookdale Senior Living Inc.	Brentwood
12	11	Surgery Partners Inc.	Brentwood
13	8	Kaiser Aluminum Corp.	Franklin
14	12	Louisiana-Pacific Corp.	Nashville
15	14	Ryman Hospitality Properties Inc.	Nashville
16	13	Genesco Inc.	Nashville
17	16	CoreCivic Inc.	Brentwood
18	17	Pinnacle Financial Partners Inc.	Nashville
19	18	Atmus Filtration Technologies Inc.	Nashville
20	20	National HealthCare Corp.	Murfreesboro
21	19	Healthcare Realty Trust Inc.	Nashville
22	21	Delek Logistics Partners	Brentwood
23	24	FB Financial Corp.	Nashville
24	25	The Brand House Collective (fka Kirkland's Inc.)	Brentwood
25	23	Shoals Technologies Group Inc.	Portland

**Ranked by 2024 Revenue as of July 4, 2025 publication

Source: Nashville Business Journal

**Metropolitan Nashville Airport Authority
Annual Disclosure Report**

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, 2025, 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, 2025, 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 final Official Statements relating to the Outstanding Senior Bonds and the Outstanding Subordinate Bonds, which are available on the Electronic Municipal Market Access ("EMMA[®]") website operated by the Municipal Securities Rulemaking Board, which can be accessed at <http://emma.msrb.org>, and using the Base CUSIP Number of 592190, as applicable. The Authority will file its Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025 (the "2025 ACFR," which includes this Report) as the "2025 Annual Filing" on EMMA[®], which can be accessed at <http://emma.msrb.org>.

Miscellaneous; Forward-Looking Statements

The 2025 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 the Authority's debt in any jurisdiction. The matters discussed in the 2025 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 2025 ACFR nor anything in it shall form the basis of any contract or commitment. By the filing of the 2025 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 2025 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 2025 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 2025 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.

Metropolitan Nashville Airport Authority
Annual Disclosure Report

The information in the 2025 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 2025 ACFR. The Authority has not undertaken any obligation to update any information in the 2025 Annual Filing. Any financial data and other information provided in the 2025 ACFR are not warranted as to completeness or accuracy and are subject to change without notice.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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").
- (d) \$94,525,000 Metropolitan Nashville Airport Authority Airport Improvement Revenue Bonds, Series 2022A (Non-AMT) (the "Series 2022A Bonds"); and
- (e) \$501,560,000 Metropolitan Nashville Airport Authority Airport Improvement Revenue Bonds, Series 2022B (AMT) (the "Series 2022B Bonds," and together with the Series 2022A Bonds, the "Series 2022 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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**Metropolitan Nashville Airport Authority
Annual Disclosure Report**

**Nashville International Airport
Annual Enplanement Activity
Fiscal Years 2016 – 2025**

Fiscal Year	Signatory Airlines	Non-Signatory Airlines	Total
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	8,306,001	290,306	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
2023 ⁽²⁾	10,648,780	271,119	10,919,899
2024	11,536,828	289,376	11,826,204
2025	12,045,286	340,092	12,385,378

⁽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.

⁽²⁾ FY23 enplanements were amended down in FY24 due to an error found after the enplanements were published.

Source: The Metropolitan Nashville Airport Authority (2025 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 2021 – 2025**

	2021⁽¹⁾	2022	2023⁽²⁾	2024	2025
July	309,036	840,374	915,482	1,032,418	1,169,689
August	304,939	758,751	873,424	940,659	1,064,133
September	330,652	717,418	952,606	970,787	1,026,904
October	390,250	832,185	1,026,284	1,103,979	1,157,409
November	356,369	768,303	905,756	956,074	994,716
December	372,093	750,314	807,745	938,625	983,745
January	292,625	522,163	738,496	728,129	750,291
February	272,301	597,977	746,797	791,003	748,610
March	492,249	786,068	951,922	1,016,746	1,025,297
April	549,615	807,445	948,584	1,008,163	1,034,343
May	705,456	920,938	1,054,756	1,158,311	1,210,413
June	776,073	915,774	998,047	1,181,310	1,219,828
Fiscal Year Totals	5,151,658	9,217,710	10,919,899	11,826,204	12,385,378

⁽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 Year 2021.

⁽²⁾ FY23 enplanements were amended down in FY24 due to an error found after the enplanements were published.

Source: The Metropolitan Nashville Airport Authority.

**Metropolitan Nashville Airport Authority
Annual Disclosure Report**

Enplaned Passenger Market Share

In connection with the Authority's continuing disclosure undertaking relating to the Series 2003B Bonds (the "2003B Bonds Undertaking"), the Series 2015 Bonds (the "2015 Bonds Undertaking") and the Series 2022 Bonds (the "2022 Bonds Undertaking"), 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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Metropolitan Nashville Airport Authority
Annual Disclosure Report

Nashville International Airport
Enplaned Passenger Market Share⁽¹⁾
Fiscal Years 2021 – 2025

	2021⁽⁴⁾	% of Total	2022	% of Total	2023⁽⁵⁾	% of Total	2024	% of Total	2025	% of Total
Signatory Airlines:										
Alaska Airlines	64,928	1.3%	102,762	1.1%	113,995	1.0%	156,015	1.3%	188,748	1.5%
Allegiant Air	136,565	2.7%	252,591	2.7%	407,726	3.7%	464,553	3.9%	337,838	2.7%
American Airlines ⁽²⁾	725,481	14.1%	1,471,530	16.0%	1,569,654	14.4%	1,677,822	14.2%	1,678,711	13.6%
Delta Air Lines Inc.	503,867	9.8%	1,105,082	12.0%	1,336,379	12.2%	1,409,111	11.9%	1,499,794	12.1%
Frontier Airlines	73,885	1.4%	118,912	1.3%	163,960	1.5%	123,100	1.0%	112,303	0.9%
JetBlue	44,914	0.9%	149,302	1.6%	228,078	2.1%	163,373	1.4%	154,510	1.2%
Southwest Airlines	3,091,692	60.0%	4,945,583	53.7%	5,575,049	51.1%	6,103,524	51.6%	6,646,369	53.7%
Spirit Airlines	171,669	3.3%	268,835	2.9%	417,971	3.8%	529,431	4.5%	488,094	3.9%
United Airlines ⁽³⁾	306,115	5.9%	691,107	7.5%	835,968	7.7%	909,899	7.7%	938,919	7.6%
Subtotal	5,119,116	99.4%	9,105,704	98.8%	10,648,780	97.5%	11,536,828	97.5%	12,045,286	97.2%
Non-Signatory Airlines:										
Air Canada	-	-	5,854	0.1%	50,396	0.5%	27,715	0.2%	72,143	0.6%
Air Canada d/b/a Jazz Air	-	-	16,356	0.2%	7,807	0.1%	4,765	0.0%	15,770	0.1%
British Airways	-	-	11,577	0.1%	55,208	0.5%	65,979	0.6%	76,406	0.6%
Contour Airlines	9,741	0.2%	20,091	0.2%	26,363	-	22,889	0.2%	11,947	0.1%
Sun Country	16,868	0.3%	25,007	0.3%	36,877	0.3%	45,661	0.4%	44,742	0.4%
WestJet Airlines	-	-	16,487	0.2%	35,979	0.3%	54,747	0.5%	71,674	0.6%
All Others (includes Charters)	5,933	0.1%	16,634	0.2%	58,489	0.5%	67,620	0.6%	47,410	0.4%
Subtotal	32,542	0.6%	112,006	1.3%	271,119	2.2%	289,376	2.5%	340,092	2.8%
Total	5,151,658	100%	9,217,710	100%	10,919,899	100%	11,826,204	100%	12,385,378	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 Year 2021.

(5) FY23 enplanements were amended down in FY24 due to an error found after the enplanements were published.

Source: The Metropolitan Nashville Airport Authority (2025 ACFR, 2024 ACFR, 2023 ACFR, 2022 ACFR, and 2021 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.

**Metropolitan Nashville Airport Authority
Annual Disclosure Report**

Landed Weight

In connection with the 2003B Bonds Undertaking, 2015 Bonds Undertaking, and the 2022 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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Metropolitan Nashville Airport Authority
Annual Disclosure Report

Nashville International Airport
Passenger, Cargo, and Miscellaneous Landed Weight Market Share (in 000s)⁽¹⁾
Fiscal Years 2021 – 2025

	2021 ⁽⁴⁾	% of Total	2022	% of Total	2023	% of Total	2024	% of Total	2025	% of Total
Signatory Airlines:										
Alaska Airlines	93,408	1.2%	100,654	1.0%	110,669	0.9%	164,433	1.2%	196,514	1.4%
Allegiant Airlines	248,448	3.3%	317,469	3.0%	496,404	4.0%	525,477	3.9%	359,736	2.6%
American Airlines ⁽²⁾	945,038	12.6%	1,693,950	16.2%	1,779,567	14.3%	1,908,020	14.1%	1,931,802	13.7%
Delta Air Lines Inc.	871,462	11.6%	1,260,848	12.1%	1,461,428	11.8%	1,525,552	11.3%	1,695,158	12.0%
Frontier Airlines	82,863	1.1%	118,797	1.1%	172,070	1.4%	135,636	1.0%	118,907	0.8%
JetBlue	71,669	1.0%	183,497	1.8%	294,044	2.4%	194,172	1.4%	166,899	1.2%
Southwest Airlines	4,463,892	59.4%	5,456,214	52.2%	6,168,540	49.7%	6,955,019	51.5%	7,493,148	53.2%
Spirit Airlines	201,041	2.7%	288,542	2.8%	434,883	3.5%	557,023	4.1%	538,245	3.8%
United Airlines ⁽³⁾	442,277	5.9%	813,331	7.8%	992,581	8.0%	1,045,775	7.7%	1,077,060	7.6%
Subtotal	7,420,098	98.8%	10,233,302	98.0%	11,910,186	96.0%	13,011,107	96.2%	13,577,469	96.3%
Non-Signatory Airlines:										
Air Canada	-	-	9,204	0.1%	29,226	0.2%	5,635	0.0%	51,391	0.4%
Air Canada d/b/a Jazz Air	-	-	20,752	0.2%	38,491	0.3%	31,451	0.2%	18,405	0.1%
British Airways	-	-	25,200	0.2%	128,525	1.0%	132,510	1.0%	153,590	1.1%
Contour Airlines	31,201	0.4%	52,296	0.5%	74,160	0.6%	69,978	0.5%	32,314	0.2%
Sun Country	34,377	0.5%	51,273	0.5%	107,159	0.9%	64,859	0.5%	67,518	0.5%
SkyWest	-	-	-	-	-	-	5,311	0.0%	7,379	0.1%
WestJet Airlines	405	0.0%	19,363	0.2%	34,373	0.3%	54,478	0.4%	78,882	0.6%
All Others (includes Charters)	29,048	0.4%	49,861	0.5%	91,827	0.7%	141,460	1.0%	102,511	0.7%
Subtotal	95,031	1.3%	227,949	2.2%	503,761	4.0%	505,682	3.6%	511,990	3.7%
Total Passenger Carrier Weight (000s)	7,515,129	100%	10,461,251	100%	12,413,947	100%	13,516,789	100%	14,089,459	100%
Cargo & Misc. Carrier Weight (000s)	354,109		582,109		504,127		306,770		305,142	
Total Weight All Aircrafts (000s)	7,869,238		11,043,360		12,918,074		13,823,559		14,394,601	
% Passenger Carrier Weight	96%		95%		96%		98%		98%	

⁽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 Year 2021.

Source: The Metropolitan Nashville Airport Authority (2025 ACFR, 2024 ACFR, 2023 ACFR, 2022 ACFR, and 2021 ACFR).

Note: The table entitled "Passenger, Cargo, and Miscellaneous Landed Weight" was entitled "Airline 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.

Metropolitan Nashville Airport Authority
Annual Disclosure Report

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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**Metropolitan Nashville Airport Authority
Annual Disclosure Report**

**Nashville International Airport
Average Daily Scheduled Arrivals and Departures⁽¹⁾⁽²⁾
Fiscal Years 2021 to 2025 (June data)**

Signatory Airlines	2021		2022		2023		2024		2025	
	Average Flights ⁽⁸⁾⁽⁹⁾	% of Total	Average Flights	% of Total	Average Flights	% of Total	Average Flights	% of Total	Average Flights	% of Total
Alaska Airlines	4	0.8%	4	0.8%	5	0.9%	8	1.3%	8	1.2%
Allegiant	16	3.3%	17	3.3%	22	3.9%	20	3.2%	21	3.1%
American Airlines ⁽³⁾	82	16.9%	84	16.1%	94	16.6%	102	16.3%	99	14.8%
Delta Air Lines	60	12.4%	60	11.5%	65	11.5%	79	12.7%	89	13.3%
Frontier Airlines	4	0.8%	4	0.8%	5	0.9%	5	0.8%	5	0.7%
JetBlue Airways	8	1.7%	13	2.5%	11	1.9%	8	1.3%	10	1.5%
Southwest Airlines	242	50.0%	242	46.3%	265	46.7%	302	48.4%	336	50.1%
Spirit Airlines	10	2.1%	15	2.9%	19	3.4%	26	4.2%	25	3.7%
United Airlines ⁽⁴⁾	40	8.3%	52	9.9%	50	8.8%	48	7.7%	50	7.5%
Subtotal	466	96.3%	491	94.1%	536	94.6%	598	95.9%	643	95.9%
Non-Signatory Airlines	2021		2022		2023		2024		2025	
	Average Flights ⁽⁸⁾⁽⁹⁾	% of Total	Average Flights	% of Total	Average Flights	% of Total	Average Flights	% of Total	Average Flights	% of Total
Air Canada ⁽⁵⁾	-	-	5	1.0%	3	0.5%	3	0.5%	7	1.0%
British Airways	-	-	2	0.4%	2	0.4%	2	0.3%	2	0.3%
Cape Air	8	1.7%	7	1.3%	7	1.2%	-	-	-	-
Contour Airlines	-	-	8	1.5%	9	1.6%	9	1.4%	2	0.3%
WestJet Airlines ⁽⁶⁾	-	-	3	0.6%	3	0.5%	4	0.6%	6	0.9%
All Others ⁽⁷⁾	10	2.1%	7	1.3%	7	1.2%	8	1.3%	10	1.5%
Subtotal	18	3.8%	32	6.1%	31	5.4%	26	4.1%	27	4.0%
TOTAL	484	100%	523	100%	567	100%	624	100%	670	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 part of Fiscal Years 2021 and 2022.
- (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 Year 2021.

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.

Metropolitan Nashville Airport Authority Annual Disclosure Report

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 2020 – 2025

Year	Daily Departures
2020	120
2021	242
2022	265
2023	286
2024	312
2025	335

⁽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 2022 Bond Undertaking, the following table presents the Authority's schedule of revenues, expenditures, and change in net position for Fiscal Years 2021 through 2025 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 2025 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.

Metropolitan Nashville Airport Authority

Annual Disclosure Report

Schedule of Revenues, Expenses and Change in Net Position⁽¹⁾⁽²⁾⁽³⁾ Fiscal Years 2021 - 2025 (Unaudited)

	2021 ⁽⁴⁾	2022	2023	2024	2025
Operating Revenues:					
Terminal building rental and fees	\$ 22,445,648	\$ 31,951,063	\$ 34,898,168	\$ 47,725,771	\$ 66,386,710
Landing and related fees	26,818,385	26,498,354	32,321,272	54,194,103	51,726,343
Parking	28,175,988	78,086,608	99,244,129	111,147,005	113,203,532
Car rental	12,656,024	20,451,716	24,495,923	25,502,274	26,355,596
Space rental	15,469,797	20,142,386	22,967,443	17,395,073	24,745,370
Concession	9,411,265	16,785,708	18,063,697	24,011,968	20,848,570
Ground transportation	3,919,824	10,987,529	14,960,927	16,911,757	18,176,625
Other	9,722,628	5,325,500	7,650,805	5,725,716	5,016,484
Total Operating Revenues	128,619,559	210,228,864	254,602,364	302,613,667	326,459,230
Operating Expenses:					
Salaries, wages and fringe benefits	25,133,488	37,663,363	39,212,410	49,830,121	51,756,371
Professional and other contractual services	16,490,438	22,550,510	26,009,193	29,165,587	41,786,237
Shuttle bus services	3,078,359	6,412,141	7,434,123	13,254,850	17,206,032
Janitorial services	7,100,572	8,782,457	11,856,848	15,826,096	15,791,577
Parking management	4,756,226	9,311,704	12,359,364	13,135,892	15,137,226
Utilities	5,598,234	7,002,019	8,640,221	8,779,086	11,249,251
Materials and supplies	3,674,391	4,857,791	6,631,337	9,431,679	8,679,362
Repairs and maintenance services	3,579,268	4,582,890	4,561,149	8,635,281	8,100,182
Insurance	1,913,299	2,148,338	3,481,751	5,318,692	5,198,729
Other	3,210,854	9,654,412	5,679,442	5,662,165	5,705,551
Total Operating Expenses	74,535,129	112,965,625	125,865,838	159,039,449	180,610,518
Provision for Depreciation	53,383,630	79,273,711	85,872,221	117,553,933	141,889,461
Nonoperating Revenues:					
Investment income (loss)	1,647,674	(4,756,436)	31,040,249	62,087,598	62,149,267
Passenger facility charges	20,253,069	35,678,032	41,531,943	44,734,128	46,775,211
Customer facility charges	8,365,388	12,939,489	15,494,211	17,283,641	25,801,636
Other nonoperating revenues (expenses)	36,580,521	28,345,443	39,271,115	39,194,429	14,551,134
Total Nonoperating Revenues	66,846,652	72,206,528	127,337,518	163,299,796	149,277,248
Nonoperating Expenses:					
Debt-related expenses	49,322,732	50,168,719	70,545,732	79,534,325	81,214,909
Other nonoperating expenses	2,160,638	(67,615)	-	-	-
Total Nonoperating Expenses	51,483,370	50,101,104	70,545,732	79,534,325	81,214,909
Capital Contributions	31,356,438	29,762,836	58,983,376	33,822,954	34,469,692
Increase in Net Position	47,420,520	69,857,788	158,639,467	143,608,710	106,491,282
Total Net Position – End of Year	\$ 828,569,702	\$ 898,427,490	\$ 1,057,066,957	\$ 1,200,675,667	\$ 1,307,166,949

⁽¹⁾ This table presents the Authority's revenues, expenses and change in net position in accordance with the presentation in the 2025 ACFR. Expenses and Change in Net Position presented in the Statistical Sections (unaudited) of the Authority's Annual Comprehensive Financial Reports (the "Statistical Sections") differ from this table. 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 Sections.

⁽²⁾ This table presents the Authority's schedule of revenues, expenses and change in net position for Fiscal Years 2021 through 2025 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.

⁽³⁾ As a result of the COVID-19 pandemic, the disruption in aviation activity and passenger traffic had a significant effect on operating revenues/operating expenses at the Airport in Fiscal Year 2021.

⁽⁴⁾ Beginning with Fiscal Year 2025, the Authority has modified how it presents its Schedules of Revenues, Expenses and Change in Net Position, by adding additional categories of Operating Revenues and Operating Expenses. Prior Schedules of Revenues, Expenses and Change in Net Position may not be exactly comparable to the Schedules presented in this table, however, the final results (i.e., Total Operating Revenues, Total Operating Expenses, Provision for Depreciation and Total Net Position) are the same.

Source: The Metropolitan Nashville Airport Authority (2024 ACFR, 2023 ACFR, 2022 ACFR, 2021 ACFR, and 2020 ACFR).

Metropolitan Nashville Airport Authority Annual Disclosure Report

Historical Debt Service Coverage

In connection with the 2003B Bonds Undertaking, the 2015 Bonds Undertaking, and the 2022 Bonds Undertaking, the following table presents the historical debt service coverage on the Senior Bonds and the Subordinate Bonds for past five Fiscal Years.

Senior and Subordinate Debt Service Coverage⁽¹⁾⁽²⁾ Fiscal Years 2021-2025 (Unaudited)

	2021	2022	2023	2024	2025
Airport Revenues (Operating Revenues) ⁽³⁾	\$ 126,970,037	\$ 206,527,526	\$ 249,805,070	\$ 307,595,670	\$ 332,172,808
Add: Investment Income ⁽³⁾	2,625,560	2,358,569	12,061,178	26,428,966	31,871,605
Revenues Available for Debt Service	129,595,597	208,886,095	261,866,248	334,024,636	364,044,413
Less: Operating Expenses ⁽⁴⁾	(82,946,055)	(97,494,908)	(124,803,545)	(153,874,683)	(173,693,395)
Less: Relief Funds Applied to Operating Expenses ⁽⁴⁾	3,988,211	2,026,935	3,280,617	-	-
Net Revenues	\$50,637,753	\$113,418,122	\$140,343,320	\$180,149,953	\$190,351,018
Senior Debt Service					
Interest	\$ 9,859,235	\$ 9,619,735	\$ 11,564,563	\$ 23,455,438	\$ 34,603,513
Principal	4,835,000	5,080,000	5,320,000	5,570,000	5,835,000
Less: PFC Revenues Applied to Debt Service ⁽⁵⁾	-	(688,478)	(688,531)	(3,294,767)	(7,515,701)
Less: Relief Funds Applied to Debt Service ⁽⁴⁾	(8,934,541)	(7,865,937)	(8,308,528)	(16,301,878)	(938,871)
Total Senior Debt Service	\$ 5,759,694	\$ 6,145,320	\$ 7,887,504	\$ 9,428,793	\$ 31,983,941
Senior Debt Service Coverage	8.79x	18.46x	17.79x	19.11x	5.95x
Subordinate Debt Service					
Interest	\$ 22,830,050	\$ 27,295,973	\$ 27,870,419	\$ 41,569,800	\$ 44,354,250
Principal	-	-	-	-	10,885,000
Less: PFC Revenues Applied to Debt Service ⁽⁵⁾	-	-	-	(18,210,132)	(25,013,664)
Less: Relief Funds Applied to Debt Service ⁽⁴⁾	(17,240,578)	(15,172,652)	(15,675,036)	(16,067,164)	(4,615,932)
Total Subordinate Debt Service	\$ 5,589,472	\$ 12,123,321	\$ 12,195,383	\$ 7,292,504	\$ 25,609,654
Subordinate Debt Service Coverage	9.06x	9.36x	11.51x	24.70x	7.43x
Senior and Subordinate Debt Service Coverage	4.46x	6.21x	6.99x	10.77x	3.31x

⁽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⁾ The numbers for Fiscal Years 2021 through 2024 have been recalculated as compared to the Authority's prior publication of those numbers. The modification of the numbers was necessary to match how the rate covenant is required to be calculated under the Senior Bond Resolution and the Subordinate Bond Resolution.

⁽³⁾ Includes annual operating revenues and investment income derived from the Airport and Reliever Airport.

⁽⁴⁾ Includes annual operating expenses related to the Airport and the Reliever Airport. Relief funds include Coronavirus Aid, Relief, and Economic Security ("CARES"), Coronavirus Response and Relief Supplemental Appropriations ("CRRSA"), and American Rescue Plan Act ("ARPA") funds.

⁽⁵⁾ Includes amounts transferred from PFC Revenues to pay debt service on the Series 2015 Senior Bonds, the Series 2019 Subordinate Bonds, and the Series 2022 Senior Bonds.

Source: The Metropolitan Nashville Airport Authority.

Metropolitan Nashville Airport Authority Annual Disclosure Report

Airlines Serving the Airport

In connection with the 2022 Bonds Undertaking, the following table presents the Airlines serving the Airport as of June 30, 2025:

Passenger Airlines			Cargo Carriers	
Signatory	Regional Affiliates ⁽¹⁾	Non-signatory ⁽⁷⁾	Signatory	Non-signatory
Alaska Airlines	Air Wisconsin ⁽³⁾	Aer Lingus	Federal Express	Air Transport Int'l
Allegiant Air	Commutair ⁽³⁾	Air Canada / Jazz Aviation ⁽⁶⁾		Airborne Express
American Airlines	Endeavor Air ⁽²⁾	Air Canada Rouge ⁽⁶⁾		Amazon Prime
Delta Air Lines	Envoy ⁽⁴⁾	Air Georgian		Atlas Air
Frontier Airlines	GoJet Airlines ⁽³⁾	Avelo Airlines		DHL
JetBlue	Mesa Airlines ⁽³⁾	Breeze Airways		Kalitta Air
Southwest Airlines	Republic Airways ⁽⁵⁾	British Airways ⁽⁶⁾		Mountain Air Cargo
Spirit Airlines	SkyWest Airlines ⁽⁵⁾	Contour Airlines		Silkway West
United Airlines		Flair Airlines		Southern Air
		Icelandair		
		Sun Country		
		Swift Air		
		VivaAerobus ⁽⁶⁾		
		WestJet		
		WestJet Encore		

- (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.
- (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.

Enplaned Passenger Traffic

Enplaned Passengers and O&D Enplaned Passengers. In connection with the 2022 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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**Metropolitan Nashville Airport Authority
Annual Disclosure Report**

**Enplaned Passengers and O&D Enplaned Passengers
Fiscal Years 2016 – 2025⁽²⁾**

Fiscal Year	Enplaned Passengers	Year-Over-Year Growth	O&D Enplaned Passengers⁽¹⁾	Year-Over-Year Growth	Percent of O&D Enplaned Passengers
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%	82.4%
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%
2023	10,919,899	18.5%	9,257,487	18.5%	84.8%
2024	11,826,204	8.3%	9,864,265	6.6%	83.4%
2025	12,385,378	4.7%	9,978,656	1.2%	80.6%

⁽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.

Subordinate Bonds

The following is the annual financial information and operation data required under the Authority's continuing disclosure undertaking with respect to the \$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) (the "2019 Subordinate Bonds Undertaking"). The Subordinate Series 2019 Bonds are the only Subordinate Bonds outstanding under the Subordinate Bond Resolution as of the date of this Report (the "Outstanding Subordinate Bonds").

Airlines Serving the Airport

In connection with the 2019 Subordinate Bonds Undertaking, see "SENIOR BONDS – Airlines Serving the Airport" herein for the table presenting the Airlines serving the Airport as of June 30, 2025.

Enplaned Passenger Traffic

Enplaned Passengers and O&D Enplaned Passengers. In connection with the 2019 Subordinate Bonds Undertaking, see "SENIOR BONDS – Enplaned Passenger Traffic - Enplaned Passengers and O&D Enplaned Passengers" herein for the table presenting 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 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 2021 through 2025.

Historical Debt Service Coverage

In connection with the 2019 Subordinate Bonds Undertaking, see "SENIOR BONDS – Historical Debt Service Coverage" herein for a table presenting Senior Bonds and Subordinate Bonds debt service coverage for Fiscal Years 2021 through 2025.

This page is intentionally left blank.

**Metropolitan Nashville Airport Authority
Compliance Section**

This section contains the following subsections:

Passenger Facility Charges

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 basic 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 years ended June 30, 2025 and 2024 and the related notes to the basic financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 13, 2025.

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 & Morse, PLLC

November 13, 2025

Report on Compliance for the Passenger Facility Charge Program and Report on Internal Control Over Compliance Required by the *Passenger Facility Charge Audit Guide for Public Agencies* and 14 CFR 158.63

Independent Auditor's Report

To the Board of Commissioners
Metropolitan Nashville Airport Authority

Report on Compliance for the Passenger Facility Charge Program

Opinion on the 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 *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") that could have a direct and material effect on the Authority's passenger facility charge program for the year ended June 30, 2025. The Authority's passenger facility charge program is identified in the schedule of collections and expenditures 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 the passenger facility charge program for the year ended June 30, 2025.

Basis for Opinion on the Passenger Facility Charge 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 in 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 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 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 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*, 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 the passenger facility charge program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, 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 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 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 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 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 Guide. Accordingly, this report is not suitable for any other purpose.

Plante & Moran, PLLC

November 13, 2025

Metropolitan Nashville Airport Authority
Schedules of Collections and Expenditures of Passenger Facility Charges
For the Year Ended June 30, 2025

	Amended Amount Approved	Cumulative Total June 30, 2024	Quarter Ended				Total FY 2025	Life-to-date Cumulative
			September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025		
COLLECTIONS:								
PFC Revenue Received	\$ 1,551,658,359	\$ 545,298,364	\$ 13,427,332	\$ 10,351,895	\$ 10,674,107	\$ 12,815,243	\$ 47,268,577	\$ 592,566,941
Interest Earned/Fees Incurred	N/A	36,895,953	2,529,947	1,749,183	2,074,179	1,855,668	8,208,977	45,104,930
Total Collections	\$ 1,551,658,359	\$ 582,194,317	\$ 15,957,279	\$ 12,101,078	\$ 12,748,286	\$ 14,670,911	\$ 55,477,554	\$ 637,671,871
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								
Total	1,439,174	1,439,174	-	-	-	-	-	1,439,174
APPLICATION 4 - Curbside Expansion								
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								
Total	2,094,000	2,094,000	-	-	-	-	-	2,094,000
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

Metropolitan Nashville Airport Authority
Schedules of Collections and Expenditures of Passenger Facility Charges
For the Year Ended June 30, 2025

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
Taxiway Kilo West and Lima Rehab	352,061	352,061	-	-	-	-	-	352,061
Taxiway Lima between T4 & T6	230,400	230,400	-	-	-	-	-	230,400
Reconstruction Taxiway Tango 6 at Terminal Ramp	188,894	188,894	-	-	-	-	-	188,894
Reconstruction Taxiway Tango 6 at Juliet	428,576	428,576	-	-	-	-	-	428,576
Reconstruction Taxiway Tango 6 at Terminal Ramp	844,829	844,829	-	-	-	-	-	844,829
Reconstruction Taxiway Tango 2	164,855	164,855	-	-	-	-	-	164,855
Rehabilitate Taxiway Alpha North	217,278	217,278	-	-	-	-	-	217,278
Shoulder Replacement Runway 2L-20R	593,673	593,673	-	-	-	-	-	593,673
Upgrade Trench Drain at De-Icing Area	14,673	14,673	-	-	-	-	-	14,673
Runway 2R20L & Taxiway H Add'l Work	798,122	798,122	-	-	-	-	-	798,122
Airfield Pavement Rehab (Ph. 1-5), Runway 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

Metropolitan Nashville Airport Authority
Schedules of Collections and Expenditures of Passenger Facility Charges
For the Year Ended June 30, 2025

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 Management and Modification 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
Terminal Renovations Phase II 2009A Bond	31,483,696	31,483,696	-	-	-	-	-	31,483,696
Terminal Renovations Phase II 2009A Bond Financing	10,640,404	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	61,415,276	61,415,276	-	-	-	-	-	61,415,276
APPLICATION 15:								
Reconstruct Runway 2L-20R	4,010,198	4,010,198	-	-	-	-	-	4,010,198
Reconstruct Runway 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
LED Taxiway Lighting Upgrade 2L	-	-	-	-	-	-	-	-
PCI Airfield Inspection	48,483	48,483	-	-	-	-	-	48,483
Total	2,618,000	2,618,000	-	-	-	-	-	2,618,000

Metropolitan Nashville Airport Authority
Schedules of Collections and Expenditures of Passenger Facility Charges
For the Year Ended June 30, 2025

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	945,499	945,499	-	-	-	-	-	945,499
Reconstruct Runway 13-31 West	3,479,416	3,479,416	-	-	-	-	-	3,479,416
Total	4,424,915	4,424,915	-	-	-	-	-	4,424,915

APPLICATION 20:

Reconstruct Taxiway Lima and Juliet East	1,882,125	1,882,125	-	-	-	-	-	1,882,125
Reconstruct Taxiway T3	1,407,796	1,407,796	-	-	-	-	-	1,407,796
Total	3,289,921	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	1,636,051	57,576	57,576	57,576	57,574	230,302	1,866,353
AOA Fence Line Perimeter Road	1,270,000	826,861	-	-	-	-	-	826,861
Terminal Generator Replacement	925,000	831,835	-	-	-	-	-	831,835
Switchgear Replacement, Ph IV	2,835,000	1,297,785	-	-	-	-	-	1,297,785
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	7,564,273	57,576	57,576	57,576	57,574	230,302	7,794,575

APPLICATION 22:

Reconstruct Taxiway Bravo/Taxiway Lima Intersection-Pay Go	4,900,000	3,763,074	-	-	-	-	-	3,763,074
Rehabilitate Taxiway Lima (2L to L2) including 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 Taxiway Lima (T-4 to 2L)-Pay Go	5,730,663	1,159,634	-	-	-	-	-	1,159,634
Reconstruct Taxiway Alpha South-Pay Go	13,100,000	10,964,362	-	-	-	-	-	10,964,362
Terminal Improvements, Phase 2-Jet Bridges-Pay Go	23,980,000	23,825,389	-	-	-	-	-	23,825,389
Terminal Improvements, Phase 2-Jet Bridges-Bond	8,420,000	-	-	-	-	-	-	-
Terminal Improvements, Phase 2-Jet Bridges-Financing	7,465,838	4,221,874	246,588	246,588	246,588	246,586	986,350	5,208,224
Terminal Improvements, Phase 2-Two additional elevators in terminal-Pay Go	1,000,000	865,044	-	-	-	-	-	865,044
Terminal Improvements, Phase 2-Concourse FIDS/PA/Visual Paging-Pay Go	4,760,000	3,992,295	-	-	-	-	-	3,992,295
Total	77,206,501	55,123,435	246,588	246,588	246,588	246,586	986,350	56,109,785

APPLICATION 23:

Terminal Expansion and Rehabilitation Bond Capital	494,830,515	-	-	-	-	-	-	-
Terminal Expansion and Rehabilitation Financing and Interest	644,180,408	20,288,667	7,196,607	7,196,607	7,196,607	7,196,605	28,786,426	49,075,093
Total	1,139,010,923	20,288,667	7,196,607	7,196,607	7,196,607	7,196,605	28,786,426	49,075,093

APPLICATION 24:

Terminal Access Road Improvement Bond Capital	51,818,494	-	-	-	-	-	-	-
Terminal Access Road Improvement Financing and Interest	56,538,828	-	-	-	1,894,713	631,571	2,526,284	2,526,284
Total	108,357,322	-	-	-	1,894,713	631,571	2,526,284	2,526,284

Total Expenditures, net	\$ 1,660,015,681	\$ 393,204,124	\$ 7,500,771	\$ 7,500,771	\$ 9,395,484	\$ 8,132,336	\$ 32,529,362	\$ 425,733,486

Metropolitan Nashville Airport Authority
Notes to Schedules of Collections and Expenditures of Passenger Facility Charges
For the Year Ended June 30, 2025

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.



FRONT/BACK COVER PHOTOS: Larry McCormack

*ABOVE: Approximately 15 pilots departed from **John C. Tune Airport® (JWN)** with supplies to aid those affected by the flooding in North Carolina caused by Hurricane Helene.*

140 BNA Park Drive, Suite 520 • Nashville, Tenn. 37214 • flynashville.com

[PAGE INTENTIONALLY LEFT BLANK]

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-Second 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-Second Supplemental Senior Resolution and is subject in all respects to the detailed provisions of the Senior Bond Resolution and the Twenty-Second 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 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 penultimate paragraph under the caption “Funds and Accounts; Airport Improvement Bond Reserve Fund”. The Series 2026 Senior Bonds

and the Series 2022 Senior Bonds have been designated as Common Reserve Bonds in the Twenty-First Supplemental Senior Resolution and Twenty-Second 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 is 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 and the Series 2022 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 (“FNMA’s”); participation certificates of the General Services Administration; guaranteed mortgage-backed securities and guaranteed participation certificates of the Government National Mortgage Association (“GNMA’s”); 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, GNMA's, FNMA's or FHLMC's 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;

(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) of the definition of Qualified Investments 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 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 \$19,585,000 Airport Improvement Revenue Bonds, Series 2003B.

“Series 2022 Senior Bonds” means the Authority’s \$94,525,000 Airport Improvement Revenue Bonds, Series 2022A and the Authority’s \$501,560,000 Airport Improvement Revenue Bonds, Series 2022B.

“Series 2026 Senior Bonds” means the Authority’s \$459,790,000 Airport Improvement Revenue Bonds, Series 2026A, \$661,815,000 Airport Improvement Revenue Bonds, Series 2026B, \$65,950,000 Airport Improvement Revenue Bonds, Refunding Series 2026C and \$79,885,000 Airport Improvement Revenue Bonds, Refunding Series 2026D.

“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.

“Twenty-Second Supplemental Senior Resolution” means the Twenty-Second Supplemental Resolution adopted by the Authority on October 15, 2025.

“Trustee” means U.S. Bank, 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 shall 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.

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

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 (current final maturity July 1, 2033)—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, 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 (current final maturity 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.

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.

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 is 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 (“FNMA’s”); participation certificates of the General Services Administration; guaranteed mortgage-backed securities and guaranteed participation certificates of the Government National Mortgage Association (“GNMA’s”); 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, GNMA’s, FNMA’s 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, 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 shall 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 at 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, 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.

[PAGE INTENTIONALLY LEFT BLANK]

APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE SIGNATORY AIRLINE USE AND LEASE AGREEMENTS

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 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

The capitalized terms used in this “Summary of Certain Provisions of the Signatory Airline Use and Lease Agreements,” shall for all purposes, have the meanings set forth under this heading “DEFINITIONS,” unless a different definition is unambiguously given such term in its context.

“AAAC” means the Airline Airport Affairs Committee established by the Signatory Airlines operating at the Airport.

“Additional Termination Damages” means, collectively, additional damages incurred by the Authority because of an Event of Default as it relates to a Signatory Airline’s Exclusive Use Premises, including but not limited to the costs of removing or storing any personal property from the Signatory Airline’s Exclusive Use Premises, the cost of re-letting such Exclusive Use Premises, and the costs of any necessary renovations or repairs and related expenses therefor.

“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 a 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, 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, aviation 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.

“*Airline Club*” means those Exclusive Use Premises leased by a Signatory Airline from the Authority to provide premium services to its passengers.

“*Airline Rented Space*” means the amount of Exclusive Use Premises and Preferential Use Premises rented by all Air Carriers in the Terminal.

“*Airline Rented Space Commitment*” means 50% of estimated Rentable Space in any given Fiscal Year.

“*Airline Rents, Fees and Charges*” means, for any Fiscal Year, all rents, charges and fees payable by Air Carriers for such Fiscal Year as determined and adjusted pursuant to the provisions of the Signatory Airline Agreement.

“*Airport*” means the realty and improvements generally known and designated as the “Nashville International Airport.” The improvements on the realty generally consist of the runways, aircraft taxiways and parking aprons, the passenger and freight terminal buildings, hangars, vehicle roadways and parking facilities, and all other improvements on such realty. The term “*Airport*” shall also include any adjacent or nearby realty acquired for purposes of the Airport by the Authority and all improvements constructed on such realty.

“*Airline Facilities Investment Fund*” means the facilities investment account used for providing annual equity investment in Capital Improvement Projects in the Airfield.

“*Airport System*” means the system of airports owned and operated by the Authority and consisting of the Airport and John C. Tune Airport.

“*Amortization Requirements*” means amortization allocable to capital expenditures in the Terminal and the Terminal Ramp Area, including without limitation capital expenditures on equipment, funded from airport revenue other than debt financing, based on the useful life of the asset as determined by generally accepted accounting principles and including a return on the unamortized portion of each such project calculated using an interest rate set to equal comparable average borrowing costs published in the Bond Buyer Revenue Bond Index or a successor index as of the Date of Beneficial Occupancy of each such project.

“*Applicable Laws*” means, collectively, all applicable present and future laws, rules, regulations, ordinances, orders, directives, notices, federal grant assurances, limitations, restrictions, or prohibitions of any federal, state or local governmental authority lawfully exercising authority over the Airport or the activities and business operations of a Signatory Airline, as they may be amended from time to time, whether foreseen or unforeseen, ordinary as well as extraordinary, including without implied limitation those relating to (i) health, sanitation and safety; (ii) the environment, including without limitation all Environmental Laws; (iii) access for persons with disabilities, including without limitation the applicable provisions of the Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12101 et seq.; and (iv) airport security, including without limitation the regulations of the Transportation Security Administration, 49 CFR Parts 1540, 1542, 1544 et seq.

“*Automatic Term Extension*” means, if the Date of Beneficial Occupancy for the Concourse A Expansion does not occur by July 1, 2028, the Term will automatically be extended by two years and expire on June 30, 2033.

“Baggage Claim Areas” means the space in the Terminal, excluding the IAF, designated by the President and CEO to be used jointly by the 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 the 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.

“Bond Resolution” means that Airport Improvement Revenue Bond Resolution adopted by the Authority’s Board of Commissioners on August 15, 1991 (as amended and supplemented) and that Subordinate Airport Revenue Bond Resolution adopted by the Authority’s Board of Commissioners on October 16, 2019 (as amended and supplemented). The term *“Bond Resolution”* shall include both the senior resolution governing the senior bonds and the subordinate resolution governing the subordinate bonds of the Authority.

“Capital Costs” means the capital costs of a Capital Improvement Project, including (a) Debt Service (net of PFCs used to pay debt service); (b) Debt Service Coverage allocable to the applicable Capital Improvement Project; (c) Amortization Requirements; and (d) deposits to the Airport Facilities Investment Fund allocable to cash-funded Capital Improvement Projects in the Airfield.

“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.

“Common Use Premises” means those areas within the Terminal, including Common Use Gates (including associated Terminal Ramp Area) and Common Use Ticket Counters, that are made available by the Authority to a Signatory Airline and to one or more other Air Carriers, subject to the provisions of the Signatory Airline Agreement.

“Common Use Gate” means a Gate designated by the Authority to be used in common by Passenger Carriers operating at the Airport, and shall not be deemed to be a Preferential Use Gate.

“Common Use Ticket Counter” means the Ticket Counters designated by the Authority to be used in common by Passenger Carriers operating at the Airport.

“Concourse A Expansion” means a project that will consist of the demolition of the existing 6 Gate concourse and construction of a 16 Gate concourse with an expanded apron, moving sidewalks, holdrooms, restrooms, airline support spaces, and concessions.

“Coverage Policy Requirement” means a Debt Service Coverage Ratio of no less than 150% in connection with senior bonds and no less than 125% in connection with the combination of all outstanding senior and subordinate bonds.

“Date of Beneficial Occupancy” means the date when a Capital Improvement Project or a phased element of a Capital Improvement Project has been substantially completed and the President and CEO determines it is available for use or the date that capital equipment is purchased.

“Debt Service” means amounts required to cover the payment of interest and principal on outstanding bond debt net of any such payments made with PFCs. Such servicing of bond debt may be made at any time allowable under the Bond Resolution.

“Debt Service Coverage” means the incremental amounts that are charged each Fiscal Year based on Bond Resolution covenants to maintain a Debt Service Coverage Ratio of at least 125% in connection with the Authority’s senior bonds and to maintain a Debt Service Coverage Ratio of at least 110% in connection with the combination both senior and subordinate bonds. For Fiscal Year 2024, Debt Service Coverage shall be calculated as 25% multiplied by Debt Service on senior bonds and 10% multiplied by the Debt Service on subordinate bonds (the Debt Service Coverage Requirement”). In each subsequent Fiscal Year, Debt Service Coverage shall be calculated by subtracting the Debt Service Coverage Requirement from the previous Fiscal Year from the Debt Service Coverage Requirement for the current Fiscal Year.

“Debt Service Coverage Ratio” means Net Revenues divided by Debt Service.

“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, 2023.

“Endangered, Threatened and Sensitive Species” means any flora or fauna identified by the provisions of the Federal Endangered Species Act (16 U.S.C. §§ 1531-1543), and the Federal Migratory Bird Treaty Act (16 U.S.C. §§ 703-712).

“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.

“Environmental Laws” means any applicable statute, ordinance, code, rule, permit, regulation, license, approval, authorization, order, directive, notice, injunction, controlling federal or state court decision, or administrative or regulatory directive, decree, judgment or order of any governmental authority, federal, state or local lawfully exercising authority over the Airport or the activities and business operations of a Signatory Airline at the Airport, or written plan required by or in response to any of the same, which pertains to the environment (including, but not limited to, groundsoil, air, water pollution or contamination, public health, public safety, public welfare, any Regulated Materials and Pollutants, Endangered, Threatened or Sensitive Species, historic properties and underground or above-ground tanks) and shall include, without limitation, the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. § 11001 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Resource Conservation and Recovery Act (“RCRA”), 42 U.S.C. § 6901 et seq., as amended by the Hazardous and Solid Waste Amendments of 1984; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq., as amended by the Superfund Amendments and Reauthorization Act of 1986 the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq. (“CWA”); the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Safe Drinking

Water Act, 42 U.S.C. §300f, et seq.; the Hazardous Materials Transportation Act 49 U.S.C. § 5101, et seq.; and any other local, state, or federal environmental statutes, rules, regulations, orders, and decrees applicable now or hereafter promulgated under any of the foregoing, as any of the foregoing may be applicable or may be changed or amended or come into effect in the future. Nothing in the Signatory Airline Agreement shall preclude Signatory Airline from raising reasonable defenses including without limitation federal preemption, to the application of Environmental Laws to Signatory Airline.

“*Event of Default*” means an Event of Default as defined under “DEFAULT AND TERMINATION – Airline Defaults” below.

“*Exclusive Use Premises*” means any office space, storage area, Airline Club, employee break room, baggage service office, or other areas of the Terminal designated for the exclusive use by Signatory Airline in the Premises Notice that a Signatory Airline agrees to lease from the Authority through the Term, subject to the terms and conditions of the Signatory Airline Agreement.

“*Expiration Date*” means June 30, 2031.

“*FAA*” means the Federal Aviation Administration or successor agency.

“*Fiscal Year*” means a year beginning July 1 and ending June 30.

“*Fuel System*” means, collectively, all fuel (including motor fuel) receipt, storage, transmission, delivery and dispensing systems, including without limitation hydrant systems, and related facilities, fixtures, equipment and other real and personal property, whether permanent, temporary or mobile, including but not limited to underground delivery pipelines, storage tanks, fuel pumps or load racks, and underground hydrant pipes and pumps, located at the Airport or otherwise that are leased, acquired or controlled at any time during the Term by Air Carriers, either directly or indirectly through or a limited liability company, consortium or committee composed primarily of Air Carriers.

“*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.

“*Gross Revenues*” means the selling price, whether for cash or credit, of all alcoholic beverages or other beverages, and any related food service items sold at the Airline Club, but shall exclude any sales or other excise tax imposed upon the purchaser and collected by Signatory Airline as agent for the taxing body imposing the tax and billed to the purchaser as a separate item.

“*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.

“*International Arrivals Facility*” or “*IAF*” means the federal inspection services facility located in the Terminal.

“*Joint Use Premises*” means the Baggage Claim Areas and Baggage Claim Equipment 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 as further specified under “CALCULATION OF RATES AND CHARGES – Calculation of Landing Fees” herein..

“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 Remaining Revenues” means the amount of Net Revenues remaining after satisfying all debt service requirements including Debt Service and, Debt Service Coverage requirements, the O&M Reserve Fund requirements, the R&R Fund requirements, the payment of Capital Improvement Projects funded through the Airline Facilities Investment Fund, the Reliever Airport Support Costs, and Amortization Requirements.

“Net Revenues” means the amount of Airport System revenue remaining after the payment of all O&M Expenses.

“Non-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 of estimated O&M Expenses to be used by the Authority only in accordance with any applicable bond resolution. The amount of O&M Expenses maintained in the fund from Net Revenues will be equal to 2.25 months for Fiscal Year 2024, 2.5 months for Fiscal Year 2025, 2.75 months for Fiscal Year 2026, and 3.0 months for Fiscal Year 2027 and beyond.

“Optional Term Extension” means, if the Automatic Term Extension is not triggered, the Authority and a Majority-In-Interest of the Signatory Airlines may agree upon a two-year extension of the Term as follows: a Majority-in-Interest may provide notice in writing to the Authority no earlier than January 1, 2029, and no later than April 1, 2029, of its disapproval of a two-year extension. If no such notice is provided, the Signatory Airlines shall be deemed to have approved a two-year extension, subject to approval by the Authority. The Authority will notify the Signatory Airlines in writing by June 30, 2029, of its decision to approve or disapprove the two-year extension.

“Outbound Bags” means bags and other items that are processed through and counted by the Baggage Make-up Equipment.

“Passenger Carrier” means an air carrier certificated by the Secretary of Transportation under 49 U.S.C. § 41102.

“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.

“Passenger Loading Bridge” means a passenger loading bridge and related equipment owned and maintained by the Authority.

“Passenger Loading Bridge Fee” means the fee calculated pursuant to “CALCULATION OF RATES AND CHARGES – Calculation of Passenger Loading Bridge Fees.”

“Preferential Use Gate” means a Gate assigned by the Authority to a Signatory Airline where that Signatory Airline has a scheduling preference over similar operations by another Scheduled Airline during applicable Periods of Use for Scheduled Operations.

“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 as such in the Premises Notice that are within the Terminal, including Preferential Use Gates and Preferential Use Gates At Risk, Preferential Use Ticket Counters and Preferential Use Baggage Make-up Areas and to which a Signatory Airline has a higher priority of use over all other Air Carriers and that Signatory Airline agrees to lease from the Authority through the Term, subject to the terms and conditions of the Signatory Airline Agreement.

“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 Use Premises, (b) Preferential Use Premises; (c) Joint Use Premises; and (d) Common Use Premises; provided, however, that in the case of Common Use Premises, such areas will only constitute “Premises” during the period of time for which a Signatory Airline has the right to use such areas.

“Premises Notice” means the notice described in the Signatory Airline Agreement.

“President and CEO” means the President and Chief Executive Officer of the Authority or his/her designee.

“Prior Airline Use and Lease 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.

“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.

“Regulated Materials and Pollutants” means (a) any material that, because of its quantity, concentration or physical or chemical characteristics, has been determined by any applicable federal, State or local governmental authority to pose a hazard to human health or safety or to the air, water, soil or environment; and (b) any materials, substances, products, by products, waste, or other materials of any nature or kind whatsoever whose presence in and of itself or in combination with other materials, substances, products, by products, or waste may give rise to liability under any Environmental Law. *“Regulated Materials and Pollutants”* includes, without limitation, any material or substance identified, listed, or defined as a “hazardous waste,” “hazardous substance,” “pollutant,” “contaminant” or term of similar import, or which is otherwise regulated pursuant to Environmental Laws; any asbestos and asbestos-containing materials; petroleum, including crude oil or any fraction thereof; natural gas or natural gas liquids; polychlorinated biphenyls or lead-based paint.

“Reliever Airport Support Costs” means the costs of supporting John C. Tune Airport. Reliever Airport Support Costs shall be \$500,000 for the first Fiscal Year of the Term (FY2024) and shall increase each subsequent Fiscal Year by 3% as follows:

FY24	\$500,000
FY25	515,000
FY26	530,450
FY27	546,364
FY28	562,754
FY29	579,637
FY30	597,026
FY31	614,937
FY32*	633,385
FY33*	652,687

* If an Automatic Term Extension or an Optional Term Extension occurs.

“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. The amounts to be maintained in the fund from Net Revenues will equal \$6.25MM for Fiscal Year 2024, \$7.5MM for Fiscal Year 2025, \$8.25MM for Fiscal Year 2026, and \$10MM for Fiscal Year 2027 and beyond.

“Rentable Space” means any areas in the Terminal that are available for lease or use on an exclusive, preferential, joint use or common 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 any Air Carrier that has entered into an agreement with the Authority substantially similar to the Signatory Airline Agreement.

“Signatory Airline Commitment” means (1) for any Passenger Carrier a commitment to pay, each Fiscal Year, Airline Rents, Fees and Charges, net of any revenue sharing, equal to at least 1% of the Airline Rents, Fees and Charges, net of revenue sharing, paid by all Signatory Airlines that Fiscal Year; or (2) for any Cargo Carrier a commitment to pay, each Fiscal Year, Landing Fees and non-Terminal ramp parking charges equal to at least 1% of the Landing Fees paid by all Signatory Airlines for that Fiscal Year.

“Term” means the period beginning on the Effective Date and ending on the Expiration Date, unless earlier terminated or extended as provide in the Signatory Airline Agreement.

“Terminal” means Gates, Ticket Counters, Baggage Claim Areas, Baggage Make up Areas, Security Checkpoint Areas, office space, storage areas, concourses, lobbies, Airline Clubs, the IAF, 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 “CALCULATION OF RATES AND CHARGES – Calculation of Terminal Rental Rate” below.

“*Terminal Rents*” means the rents charged by the Authority for Signatory Airline’s use of the Terminal, as described in “CALCULATION OF RATES AND CHARGES – Calculation of Terminal Rental Rate” and “CALCULATION OF RATES AND CHARGES – Unimproved Space Rental Rate” below.

“*Termination Damages*” means, collectively, all unpaid Airline Rent, Fees and Charges and damages incurred by Authority due to a Signatory Airline’s default of the Signatory Airline Agreement under the Signatory Airline Agreement, including, but not limited to, attorneys’ fees and costs, that Authority is entitled to recover from a Signatory Airline. See “DEFAULT AND TERMINATION” 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 area queuing space (measured 30 feet from the ticketing position), any kiosk space outside of the ticketing area queuing space and curbside check-in positions.

“*Unimproved Space*” means unenclosed space within the Terminal that is neither heated nor air-conditioned.

TERM AND USE OF AIRPORT

The term of each Signatory Airline Agreement runs from its Effective Date through the Expiration Date of June 30, 2031. The Term can be extended pursuant to an Automatic Term Extension or an Optional Term Extension. 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, 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 Term.

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 Review 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 Airline Rents, Fees and Charges and that is not exempt from Majority-in-Interest review the Authority shall provide written notice for Majority-in-Interest review to all Signatory Airlines. Signatory Airlines representing a Majority-in-Interest may disapprove the Capital

Improvement Project under review by providing their written disapproval of the Capital Improvement Project to the Authority within 30 days of the Authority issuing the written notice.

Absent such disapproval, the Authority may proceed with the Capital Improvement Project.

The Authority may proceed with a disapproved Capital Improvement Project only if the Authority confirms in writing to all Signatory Airlines that the Authority will not fund the Capital Improvement Project through Airline Rates, Fees and Charges to be paid by Signatory Airlines, the Capital Improvement Project is otherwise modified such that it is an Exempt Project (as defined below under “– Exemptions from Majority-in-Interest Review”) or the Authority resubmits the Capital Improvement Project for review and it is not disapproved.

Capital Improvement Projects outside of the Airfield shall not be subject to Majority-in-Interest review.

Cost Increases in Previously Reviewed Capital Improvement Projects in the Airfield. The Authority shall be required to submit for Majority-in-Interest review cost increases in Capital Improvement Projects submitted for review as described above under “– New Capital Improvement Projects” if (a) the estimated Capital Costs of the Capital Improvement Project will increase by 10% or more of the Authority’s share of Capital Costs (net of PFCs, federal and state grants, and other funding sources that will not increase Airline Rents, Fees and Charges); and (b) the increased costs will be funded through Airline Rents, Fees and Charges to be paid by Signatory Airlines. If Majority-in-Interest review is required, the Authority shall submit a written notice to all Signatory Airlines describing the amount of and basis for the estimated cost increase. Signatory Airlines representing a Majority-in-Interest may disapprove the cost increase by providing their written disapproval to the President and CEO within 15 days of the Authority’s issuing the written notice. The Authority may proceed with a disapproved Capital Improvement Project only if the Authority confirms in writing to all Signatory Airlines that the Authority will not fund the Capital Improvement Project through Airline Rates, Fees and Charges to be paid by Signatory Airlines, the Capital Improvement Project is otherwise modified such that it is an Exempt Project or the Authority resubmits the Capital Improvement Project for review and it is not disapproved. Absent such disapproval, the Authority may proceed with the Capital Improvement Project under the new cost estimate.

Exemptions from Majority-in-Interest Review. In addition to Capital Projects that are not in the Airfield, the following are exempt from Majority-in-Interest review (“Exempt Projects”):

- (a) Capital Improvement Projects that will not be funded through Airline Rents, Fees and Charges to be paid by the Signatory Airlines;
- (b) Capital Improvement Projects previously approved by a Majority-in-Interest under a Prior Airline Use and Lease Agreements (subject to budget increases that are required to be submitted for approval);
- (c) Capital Improvement Projects with Capital Costs of less than \$2,000,000 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;
- (d) Capital Improvement Projects required by a government agency with jurisdiction over the Airport;
- (e) Capital Improvement Projects of an emergency nature, which, if not made, would substantially impair the current operation of the Airport;

(f) Capital Improvement Projects requested, funded, and paid for by an Air Carrier;
or

(g) 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.

Capital Costs and Airline Rents, Fees and Charges

The Capital Costs (including capitalized interest) of any Capital Improvement Project shall not be included in Airline Rents, Fees and Charges prior to its Date of Beneficial Occupancy; provided, however, that costs associated with preliminary design and environmental review may be recovered through Airline Rents, Fees and Charges prior to the Date of Beneficial Occupancy.

CALCULATION OF RATES AND CHARGES

Generally

The Airline Rents, Fees and Charges to be charged by the Authority and paid by each Signatory Airline for their use of the Airport from the Effective Date until the expiration of the Term or earlier termination of the Signatory Airline Agreement shall be calculated using the rate-setting methods set forth in the Signatory Airline Agreement. In calculating the revenue requirements used to derive each of these kinds of 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 PFC's, (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 or other costs and expenses undertaken by the Authority at the request and for the benefit of an individual Signatory Airline.

Signatory Airline Consultations on Proposed Airline Rents, Fees and Charges. No later than May 1 of each year during the Term, the President and CEO shall provide each Signatory Airline with a complete copy of the then proposed Airline Rents, Fees and Charges for the succeeding Fiscal Year. The President and CEO shall conduct a consultation meeting with the Signatory Airlines concerning the then proposed Airline Rents, Fees and Charges. The Authority shall endeavor to provide the Signatory Airlines with the proposed Airline Rents, Fees and Charges at least three days prior to the consultation meeting. No later than June 1 of each year, after giving due consideration to the comments provided by the AAAC, the President and CEO shall make any revisions to the proposed Airline Rents, Fees and Charges as the President and CEO determines, in his or her sole discretion, to be warranted as a result of consultation with the AAAC or otherwise, and shall provide notice to each Air Carrier then currently operating scheduled passenger or cargo service at the Airport of the new Airline Rents, Fees and Charges to be effective on July 1.

Calculation of Landing Fees

Each year during the Term, the Authority shall calculate the estimated Landing Fee for the following Fiscal Year as follows:

The Airfield Requirement shall be computed as the sum of the following budgeted items: (a) O&M Expenses allocable to the Airfield; plus (b) Debt Service allocable to the Airfield; plus (c) deposits to the

Airline Facilities Investment Fund; plus (d) Debt Service Coverage requirements allocable to the Airfield; plus (e) the Reliever Airport Support Costs; plus (f) O&M Reserve Fund requirements allocable to the Airfield; plus (g) R&R Fund requirements allocable to the Airfield; minus (h) Non-Airline Airfield Revenues; and minus (i) Landing Fees collected from Non-Signatory Airlines.

The estimated Landing Fee shall then 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; provided, however, that no Landing Fee shall be due in the event an aircraft departs from the Airport for another destination and is forced to return and land at the Airport because of meteorological conditions, or mechanical or operational problems, or for any similar emergency or precautionary reason and the MGLW of such landings shall be excluded from the calculation of the Landing Fee. In calculating the estimated Landing Fee, the Authority may use the most recent available historical MGLW or projections of MGLW that reflect reasonable Authority management judgment.

Calculation of Terminal Rental Rate

Each year during the Term, the Authority shall calculate the estimated Terminal Rental Rate for the following Fiscal Year as follows:

The Terminal Requirement shall be computed as the sum of the following budgeted items: (a) O&M Expenses allocable to the Terminal; plus (b) Debt Service allocable to the Terminal; plus (c) Amortization Requirements allocable to the Terminal; plus (d) Debt Service Coverage requirements allocable to the Terminal, plus (e) O&M Reserve Fund requirements allocable to the Terminal, plus R&R Fund requirements allocable to the Terminal.

The estimated Terminal Rental Rate shall then be calculated by dividing the Terminal Requirement by the estimated amount of Rentable Space for the following Fiscal Year.

The estimated Airline Terminal Requirement shall then be calculated by multiplying the estimated Terminal Rental Rate by the total amount of estimated Airline Rented Space, subject to the following paragraph. The Authority shall distribute the estimated Airline Terminal Requirement into two cost groups: Airline Terminal Rental Rate and Satellite Concourse Rental Rate. The costs assigned to these two groups shall bear the following relativities to each other on a square-foot basis:

Airline Terminal Rental Rate	1.000
Satellite Concourse Rental Rate	0.975

For rate-setting purposes, the costs per square-foot in each group will be normalized so that the aggregate costs assigned to both groups will equal the Airline Terminal Requirement.

If in any Fiscal Year the Authority estimates that both (a) the Airline Rented Space Commitment will not be met and (b) the Coverage Policy Requirement will not be met, then the Authority may increase the Airline Terminal Requirement by the lesser of (i) the estimated amount necessary to meet the Coverage Policy Requirement or (ii) the Airline Rented Space Commitment minus estimated Airline Rented Space with the resulting amount of space multiplied by the Terminal Rental Rate.

Calculation of 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: (a) budgeted O&M Expenses allocable to the Terminal Ramp Area, (b) Debt Service allocable to the Terminal Ramp Area; plus (c) Amortization Requirements allocable to the Terminal Ramp Area; (d) Debt Service Coverage requirements allocable to the Terminal Ramp Area, plus (e) O&M Reserve Fund requirements allocable to the Terminal Ramp Area, plus (f) R&R Fund requirements 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: (a) the product of (i) the Airline Terminal Rental Rate and (ii) the total square footage of the Baggage Claim Areas; plus (b) O&M Expenses allocable to Baggage Claim Equipment and Baggage Make-up Equipment, plus (c) Debt Service allocable to Baggage Claim Equipment and Baggage Make-up Equipment; plus (d) Amortization Requirements allocable to Baggage Claim Equipment and Baggage Make-up Equipment; plus (e) Debt Service Coverage requirements allocable to the Baggage Claim Equipment and Baggage Make-up Equipment, plus (f) O&M Reserve Fund requirement allocable to the Baggage Claim Equipment and Baggage Make-up Equipment, plus (g) R&R Fund requirement allocable to the Baggage Claim Equipment and Baggage Make-up Equipment; minus (h) 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 Outbound Bags during the Fiscal Year.

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 the following budgeted items: (a) O&M Expenses allocable to Passenger Loading Bridges, plus (b) Debt Service allocable to Passenger Loading Bridges; plus (c) Amortization Requirements allocable to Passenger Loading Bridges; plus (d) Debt Service Coverage requirements allocable to Passenger Loading Bridges, plus (e) O&M Reserve Fund requirements allocable to Passenger Loading Bridges, plus (f) R&R Fund requirements 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 \$4.25 per square foot for the Term.

Other Charges

Each Fiscal Year the Authority shall publish a list of other charges, calculated on a reasonable and non-discriminatory basis, to be paid by the Signatory Airline for the use of facilities at the Airport, including without limitation, fees for the use of Common Use Premises and any International Arrivals Facility and aircraft parking charges.

Authority Commitment to Cash Fund Projects

Over the Term, the Authority must use at least \$50,000,000 of Authority cash to fund Capital Improvement Projects in the Terminal, Terminal Ramp Area and Passenger Loading Bridges that would be considered for bond funding, including without limitation projects in BNA Vision 1.0, BNA Vision 2.0 or New Horizon as of the Effective Date as listed in the Signatory Airline Agreement (the Authority's "**Cash Funding Commitment**"); provided, however, if annual Enplaned Passengers meet or exceed 11,000,000 by Fiscal Year 2027, the Authority's Cash Funding Commitment will increase to \$75,000,000 over the Term. The Authority retains sole discretion to determine which Capital Improvement Project(s) to fund and during which Fiscal Year(s) through the Cash Funding Commitment. The Authority shall have the right to recover the Cash Funding Commitment through Amortization Requirements allocated to appropriate cost centers.

Amortization Requirements

The Authority maintains the right to include Amortization Requirements in the calculation of Airline Rents, Fees and Charges as follows:

The Authority may include Amortization Requirements in the calculation of Airline Rents, Fees and Charges other than the Landing Fee for capital expenditures that may not be eligible for bond financing or, as determined in the sole discretion of the Authority, financially prudent for bond financing so long as the annual amount recovered through such Amortization Requirements does not exceed \$1,000,000 each Fiscal Year, subject to a 3% increase every Fiscal Year after Fiscal Year 2024 as follows:

2024	\$1,000,000
2025	1,030,000
2026	1,060,900
2027	1,092,727
2028	1,125,509
2029	1,159,274
2030	1,194,052
2031	1,229,874
2032*	1,266,770
2033*	1,304,773

* If an Automatic Term Extension or an Optional Term Extension occurs.

Revenue Sharing Credits

Each year the Authority shall calculate the estimated total amount of Revenue Sharing Credits for the following Fiscal Year as follows:

The Authority will first calculate Net Remaining Revenues. The Authority will only share revenue with the Signatory Airlines if Net Remaining Revenues are positive.

The Authority will next calculate values for the following three budgeted components (the “**Revenue Sharing Components**”) in accordance with the table below: Percentage of Net Remaining Revenues, Percentage of in-Terminal concessions, and a fixed amount per Enplaned Passenger.

	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

The Authority will then determine the Revenue Sharing Credit Percentile as either (a) the 20th percentile or, starting in Fiscal Year 2024 and each Fiscal Year thereafter, if Enplaned Passenger growth increases by more than 2.5% over the previous Fiscal Year, the Revenue Sharing Credit Percentile will increase by the percentage of annual Enplaned Passenger growth above 2.5%. For example, 10% enplanement growth over Fiscal Year 2024 would increase the percentile by 7.5%, resulting in a 21.5 percentile (20 multiplied by 1.075) applied in Fiscal Year 2025.

The Authority will then calculate the total amount of Revenue Sharing Credits by calculating the percentile of the Revenue Sharing Components using the Revenue Sharing Credit Percentile as the percentile as set forth in the Signatory Airline Agreement. The Authority will calculate a Revenue Sharing Credit per Enplaned Passenger by dividing the total amount of Revenue Sharing Credits by the projected Enplaned Passengers for the Fiscal Year. Revenue Sharing Credits shall be paid from in-Terminal concessions revenue to the extent available. To the extent that in-Terminal concessions revenue are not available, the Authority shall fund the remainder of Revenue Sharing Credits from another source of funds determined by the President and CEO in their sole discretion, provided, however, that the use of such funds shall not increase Airline Rents, Fees and Charges.

Monthly, after receiving the Airline Activity Report, the Authority will provide a credit to Signatory Airline equal to the Signatory Airline’s reported Enplaned Passengers multiplied by the Revenue Sharing Credit per Enplaned Passenger.

Non-Signatory Premium

Non-Signatory Airlines shall pay a 25% premium on all rates and charges and shall not receive any Revenue Sharing 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 Airline activity

it has used to calculate the Airline Rents, Fees and Charges and Revenue Sharing Credits are likely to vary significantly (higher or lower) from actual results, the Authority may, using current estimates and projections, recalculate the Airline Rents, Fees and Charges and Revenue Sharing Credits 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 advance written notice ("Mid-Year Adjustment Notice") of any adjustments to be made. The AAAC may, within 15 days of receipt of the Mid-Year Adjustment Notice, request a meeting with the Authority to review the information that the Authority used as the basis for an adjustment and if the AAAC does so, the Authority shall meet with the AAAC within 15 days of the AAAC's request.

Annual Adjustments-to-Actual

True-up of Airline Rents, Fees and Charges and Revenue Sharing Credits. 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 the Airline Rents, Fees and Charges and Revenue Sharing Credits on the basis of actual costs, expenses, activity and other factors affecting the prescribed calculations and shall determine the amount of any overpayment (credit) or underpayment (debit) due to or from Airline.

Signatory Airline Commitment. Within 60 days after completion of the audit for the preceding Fiscal Year, the Authority shall determine whether each Signatory Airline has met the Signatory Airline Commitment. For each Signatory Airline that does not meet the Signatory Airline Commitment, the Authority shall calculate the amount of any underpayment (debit) due to the Authority.

Combined Adjustments. For each Signatory Airline, the Authority shall combine the credits or debits calculated in accordance with the prior two paragraphs and any resulting credit (on a combined basis) will be issued to Airline, and any resulting debit (on a combined basis) will be invoiced to and payable by Airline within 30 days.

Air Service Incentive Program

Notwithstanding any other provision in the Signatory Airlines Agreement and, in order to enhance and attract new air service to the Airport, the Authority reserves the right to adopt, implement and modify a program of air service incentives at the Airport, consistent with applicable federal requirements, which may include rates and charges incentives and marketing support ("Air Service Incentive Program"). Any Air Service Incentive Program shall be offered to all eligible Air Carriers on a nondiscriminatory basis. The costs of the Air Service Incentive Program shall be borne by the Authority and shall not be recovered through any rates and charges levied under the Signatory Airline Agreement. For the avoidance of doubt, MGLW and Deplaned Passengers for any flights operating under an incentive will be included in the calculation of Airline Rents, Fees and Charges to ensure that the costs associated with such activity are not borne by the Signatory Airlines.

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 to impose PFCs. 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.

Payment of Airline Club Percentage Fees

On or before the 15th day of each calendar month, each Signatory Airline shall pay to the Authority the following percentage fees on the sale of all alcoholic beverages or other beverages, and any related food service items sold at or within the Airline Club: 15% of the Gross Revenues received by Signatory Airline from all alcohol and 12% of the Gross Revenues received by Signatory Airline from all other (if any) food and beverage sales incurred during said preceding month; provided, however, that Airline's obligation to pay Airline Club percentage fees shall only apply to the extent, if any, by which such percentage fees for any given month exceed the Terminal Rent owed by such Signatory Airline for its lease of the Airline Club for that month.

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 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 Agreement is damaged by fire, earthquake or other casualty, but is not rendered unfit for use by the 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 a 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 under the Signatory Airline Agreement 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 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 Signatory Airline that it intends to (i) terminate the Signatory Airline Agreement or (ii) repair or reconstruct the Premises. If the Authority elects to repair or reconstruct the Premises, it shall begin any work necessary to do so and shall use commercially reasonable efforts to provide the Signatory Airline with temporary substitute space while the repairs are being completed if the Signatory Airline does not elect to terminate the Signatory Airline Agreement to the extent that it shall apply to the destroyed Premises. If a party elects to terminate the Signatory Airline Agreement, such termination shall be effective as to the Premises, 60 days after the occurrence of the damage. Without limiting the foregoing, if the Authority terminates the Signatory Airline Agreement to the extent that it shall apply to the destroyed Premises, the Authority shall use reasonable efforts to provide the Signatory Airline with substitute space for the remaining Term if requested by the Signatory Airline.

Rent Abatement. For the period from the occurrence of any damage to the Premises to the date of completion of the repairs to the Premises (or to the date of termination of the Signatory Airline Agreement as to such portions of the 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 the Premises bears to the whole, or, if the damage or destruction has rendered the entire Premises unusable, said rental shall be abated entirely, and upon termination of the Signatory Airline Agreement as to such damaged or destroyed Premises, the affected Signatory Airline shall have no further obligation to pay the rental allocable thereto. The costs assigned to such unusable space, to the extent not covered by insurance, may be recovered by the Authority as a cost allocable to the Terminal. The Authority may charge a reasonable rental for any temporary substitute space it furnishes, but not more than the rent the affected Signatory Airline was paying for the damaged or destroyed Premises. In the event that the Authority shall elect to terminate the 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 the Signatory Airline's use of the remainder of the Premises and its business and operations at the Airport in the opinion of the Signatory Airline, the Signatory Airline may within 30 days after receipt of the Authority's notice of termination, terminate the 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 each 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

Each of the Signatory Airlines are required to procure and maintain at all times, at Signatory Airline's own expense, insurance to specified minimum limits, with insurance companies having an AM Best rating of "A-" or better, financial size rating of VII or better; or for those insurance companies not subject to AM Best's rating (a) an equivalent financial strength rating from S&P or (b) as determined by the Authority in its sole discretion, a similar nationally or internationally recognized reputation and responsibility, or as reasonably approved by the Authority, covering all operations under the Signatory Airline Agreement performed by Signatory Airline. Each Signatory Airline shall procure workers' compensation and employer liability, automobile liability insurance, all risk builders risk insurance, all risk property insurance, professional liability and pollution liability insurance, as further specified in the Signatory Airline Agreement.

DEFAULT AND TERMINATION

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) A Signatory Airline shall fail 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 the Signatory Airline's receipt of a written notice of such breach or default from the President and CEO. 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 consecutive twelve month period, thereafter the 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 the 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 Signatory Airline from its passengers 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.

(c) A Signatory Airline shall become insolvent (as such term is defined under Section 101 of the Federal Bankruptcy Code); or shall fail to pay its debts generally as they mature; or shall take the benefit of any present or future federal or state insolvency statute; or shall make a general assignment for the benefit of creditors.

(d) A Signatory Airline shall file a voluntary petition in bankruptcy or a petition or answer seeking an arrangement of its indebtedness under the Federal Bankruptcy Code or under any other law or statute of the United States or of any state thereof; or consent to the appointment of a receiver, trustee, custodian, liquidator or other similar official, of all or substantially all of its property; or an order for relief shall be entered by or against the Signatory Airline under any chapter of the Federal Bankruptcy Code.

(e) By order or decree of a court, a Signatory Airline shall be adjudged bankrupt or an order shall be made approving a petition filed by any of its creditors or by any of its stockholders, seeking its reorganization or the restructuring of its indebtedness under the Federal Bankruptcy Code or under any other law or statute of the United States or any state thereof and such order or decree shall not be stayed or vacated within 60 days of its issuance.

(f) A petition under any chapter of the Federal Bankruptcy Code or an action under any federal or state insolvency law or statute shall be filed against a Signatory Airline and shall not be dismissed or stayed within 60 days after the filing thereof.

(g) By or pursuant to, or under authority of any legislative act, resolution or rule, or any order or decree of any court or governmental board, agency or officer, a receiver, trustee, custodian, liquidator or other similar official shall take possession or control of all or substantially all of the property of a Signatory Airline and such possession or control shall continue in effect for a period of 60 days.

(h) A Signatory Airline shall become a corporation in dissolution.

(i) The letting, license or other interest of or rights of a Signatory Airline hereunder shall be transferred to, pass to or devolve upon, by operation of law or otherwise, any other person, firm, corporation or other entity, by, in connection with or as a result of any bankruptcy, insolvency, trusteeship, liquidation or other proceedings or occurrence described in clauses (c) and (h) above.

(j) There shall occur a transfer without the prior approval of the Authority, to the extent Authority's approval is required thereunder.

(k) A Signatory Airline shall abandon, desert, or vacate the Premises.

(l) Any lien shall be filed against the Premises as a result of an act or omission of a Signatory Airline, and shall not be discharged or bonded over within 60 days after receipt of notice by the Signatory Airline.

(m) 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, subject to any notice and cure rights.

(n) 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 by President and CEO 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 30 days after the giving of such notice.

Authority Remedies

General Remedies – Applicable to All Portions of the Premises.

(a) Whenever any Event of Default shall occur (other than a default pursuant to clause (c) described in “—Airline Defaults” above 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 the applicable Signatory Airline’s rights thereunder shall terminate if the written notice of Event of Default so provides. The Authority shall be entitled to recover from the Signatory Airline all 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.

(b) 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 the applicable Signatory Airline agrees that the Authority shall be entitled, upon termination for default, to collect as additional damages a Rental Deficiency. As used in this section, a “Rental Deficiency” shall 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 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.

(c) The Authority’s action pursuant to this section shall not in any way limit the Authority in the pursuit of any other additional right or remedy available to the Authority in law or in equity by reason of the applicable Signatory Airline’s default.

Additional Remedies for Exclusive Use Premises and Preferential Use Premises.

(a) Whenever any Event of Default shall occur (other than a default pursuant to clause (c) described in “—Airline Defaults” above 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 the applicable Signatory Airline’s rights thereunder shall terminate if written notice of the Event of Default so provides. In the event such Event of Default involves Exclusive Use Premises or Preferential Use Premises, in addition to those remedies for an Event of Default set forth in “General Remedies – Applicable to All Portions of the Premises” above, upon termination the Authority may re-enter and take exclusive possession of any such Exclusive Use Premises and Preferential Use Premises and remove all persons and property from such Exclusive Use Premises and Preferential Use Premises, without the Authority being liable to the Signatory Airline for damage or loss thereby sustained by the Signatory Airline. The Authority shall be entitled to recover from the Signatory Airline, in addition to Termination Damages and a Rental Deficiency 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. The Signatory Airline shall have no right to or claim upon any improvements that may have been previously installed by the Signatory Airline in or on the Exclusive Use Premises or the Preferential Use Premises.

(b) If the Signatory Airline Agreement terminates as a result of an Event of Default by the applicable Signatory Airline, the Authority shall use reasonable efforts to relet the Exclusive Use Premises and Preferential Use Premises or any part thereof, alone or together with other Exclusive Use Premises and Preferential Use Premises, for such term or terms and for such use or uses as the Authority in its sole discretion may determine. The Signatory Airline’s obligations hereunder shall not be discharged by reason or failure of Authority to relet the Exclusive Use Premises or Preferential Use Premises.

(c) The Authority’s actions pursuant to this section shall not in any way limit the Authority in pursuant of any other additional right of remedy available to the Authority in law or in equity by reason of the applicable Signatory Airline’s default.

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 the Signatory Airline.

Authority's Right to Perform

All agreements and obligations to be performed by a Signatory Airline under any of the terms of the Signatory Airline Agreement shall be at its sole cost and expense and without any abatement of Terminal Rents or Landing Fees. If a Signatory Airline shall fail to make any payment or perform any act on its part to be performed hereunder and such failure shall continue for ten days, after notice thereof by Authority, Authority may, but shall not be obligated to do so, and without waiving or releasing the Signatory Airline from any obligations of the Signatory Airline, make any such payment or perform any such other act on the Signatory Airline's part to be made or performed as provided in the Signatory Airline Agreement. All sums so paid by Authority and all necessary incidental costs shall be deemed additional rent under the Signatory Airline Agreement and shall be payable to Authority on demand, and Authority shall have (in addition to any other right or remedy of Authority) the same rights and remedies in the event of the nonpayment thereof by Signatory Airline as in the case of default by the Signatory Airline in the payment of Terminal Rents or Landing Fees.

Rights Related to Termination

In the event of any termination by the Authority based on an Event of Default, all rights, powers and privileges of a Signatory Airline under the Signatory Airline Agreement shall cease, and the Signatory Airline shall immediately vacate any portions of the Premises occupied by it under the Signatory Airline Agreement. The 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 related to such termination.

Bankruptcy

In no event shall the Signatory Airline Agreement or any rights or privileges hereunder be an asset of a Signatory Airline under any bankruptcy, insolvency or reorganization proceedings. To the extent consistent with and permitted under the United States Bankruptcy Code or similar debtor relief laws, if the Signatory Airline seeks protection under the United States Bankruptcy Code or similar debtor relief laws, or is currently operating under the protection of the United States Bankruptcy Code or other similar debtor relief laws, the Signatory Airline will comply with every provision of the Signatory Airline Agreement as and when required under the Signatory Airline Agreement, including without limitation performing any required remediation relating to any environmental matter pursuant to the Signatory Airline's environmental obligations under the Signatory Airline Agreement which arose prior to or arises during the course of the Signatory Airline's bankruptcy case. No Air Carrier will be allowed to assume the Signatory Airline Agreement without performing any required remediation as part of the cure of any Event of Default under the Signatory Airline Agreement.

ENVIRONMENTAL PROVISIONS

The Signatory Airline Agreement requires each 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 each 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, labor disputes, embargoes, shortages of material, acts of terrorism, riots, rebellion, sabotage, natural disaster, world-wide pandemic declared by the Centers of Disease Control or a successor agency, or any other casualty which is not within its control; provided, however, that these provisions shall not excuse Signatory Airline from payment of the Signatory Airline Rates, Fees and Charges.

Entire Agreement

The Signatory Airline Agreement supersedes all Prior Airline Use and Lease Agreements, if any, between a Signatory Airline and the Authority and by executing the Signatory Airline Agreement, each Signatory Airline and the Authority terminate all Prior Airline Use and Lease Agreements; provided, however, that any approvals obtained from either party under the provisions of Prior Airline Use and Lease Agreements shall survive its termination along with any other provisions that, by the terms of the Prior Airline Use and Lease Agreements, survive the termination of the agreements. The parties intend that the Signatory Airline Agreement shall be the final expression of their agreement with respect to its subject matter and may not be contradicted by evidence of any prior or contemporaneous written or oral agreements or understandings. The parties further intend that the Signatory Airline Agreement shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts of the Signatory Airline Agreement) may be introduced in any judicial, administrative or other legal proceeding involving the Signatory Airline Agreement.

Liens and Encumbrances

Each Signatory Airline shall keep the Premises free and clear of any liens and encumbrances arising or growing out of a 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, a 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 of the Signatory Airlines 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. This provision shall in no way 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, which shall be binding on the Signatory Airline and all successors in interest under the Signatory Airline Agreement, not to claim depreciation or an investment credit with respect to any property leased thereunder.

APPENDIX F

FORMS OF OPINIONS OF BOND COUNSEL

[PAGE INTENTIONALLY LEFT BLANK]

February 4, 2026

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 2026A
\$459,790,000

At your request we have examined into the validity of Four Hundred Fifty-Nine Million Seven Hundred Ninety Thousand Dollars (\$459,790,000) principal amount of Airport Improvement Revenue Bonds, Series 2026A (the “Series 2026A Bonds”) of The Metropolitan Nashville Airport Authority (the “Authority”). The Series 2026A 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, 2026 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:

<u>Year</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Year</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2029	\$7,860,000	5.00%	2040	\$13,460,000	5.00%
2030	8,260,000	5.00	2041	14,130,000	5.00
2031	8,670,000	5.00	2042	14,840,000	5.00
2032	9,110,000	5.00	2043	15,575,000	5.00
2033	9,570,000	5.00	2044	16,355,000	5.00
2034	10,035,000	5.00	2045	17,180,000	5.00
2035	10,540,000	5.00	2046	18,040,000	5.00
2036	11,080,000	5.00	2051	104,650,000	5.00
2037	11,620,000	5.00	2056	83,785,000	5.00
2038	12,210,000	5.00	2056	50,000,000	5.25
2039	12,820,000	5.00			

The Series 2026A Bonds are subject to redemption prior to maturity upon the terms and conditions and at the prices set forth therein.

The Series 2026A 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-Second Supplemental Resolution of the Authority adopted October 15, 2025 and related Certificate of Determination of the Designated Financial Officer dated January 14, 2026 (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 2026A Bonds, including the Resolution. We have also examined a specimen Series 2026A Bond.

Terms not otherwise defined herein shall have the meanings set forth in the Resolution.

In our opinion:

1. The Series 2026A 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 2026A Bonds are entitled to the security and benefits of the Resolution.

3. Under existing statutes, the Series 2026A 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 2026A 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, interest on the Series 2026A 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 2026A 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 2026A Bonds from gross income under Section 103 of the Code. Under the Code, noncompliance with such requirements may cause the interest on the Series 2026A 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.

In rendering our opinions above we have relied upon the opinion of Adams and Reese LLP with respect to the effect of the case of *The Metropolitan Government of Nashville and Davidson County vs Bill Lee et al.* on validity of the actions taken by the current Board of Commissioners in adopting the Resolution.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Series 2026A 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 2026A Bonds.

It is to be understood that the rights of the holders of the Series 2026A Bonds under the Resolution and under such Series 2026A Bonds and the enforceability of such rights may be subject to the exercise of judicial discretion, equitable principles, 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 2026A Bonds and express no opinion relating thereto.

Very truly yours,

Hawkins Delafield & Wood LLP

February 4, 2026

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 2026B
\$661,815,000

At your request we have examined into the validity of Six Hundred Sixty-One Million Eight Hundred Fifteen Thousand Dollars (\$661,815,000) principal amount of Airport Improvement Revenue Bonds, Series 2026B (the “Series 2026B Bonds”) of The Metropolitan Nashville Airport Authority (the “Authority”). The Series 2026B 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, 2026 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:

<u>Year</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Year</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2029	\$11,255,000	5.00%	2040	\$19,250,000	5.00%
2030	11,820,000	5.00	2041	20,220,000	5.00
2031	12,410,000	5.00	2042	21,220,000	5.00
2032	13,030,000	5.00	2043	22,285,000	5.00
2033	13,685,000	5.00	2044	23,400,000	5.00
2034	14,360,000	5.00	2045	24,565,000	5.00
2035	15,080,000	5.00	2046	25,790,000	5.00
2036	15,840,000	5.00	2051	150,420,000	5.25
2037	16,635,000	5.00	2056	94,760,000	5.25
2038	17,460,000	5.00	2056	100,000,000	5.50
2039	18,330,000	5.00			

The Series 2026B Bonds are subject to redemption prior to maturity upon the terms and conditions and at the prices set forth therein.

The Series 2026B 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-Second Supplemental Resolution of the Authority adopted October 15, 2025 and related

Certificate of Determination of the Designated Financial Officer dated January 14, 2026 (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 2026B Bonds, including the Resolution. We have also examined a specimen Series 2026B Bond.

Terms not otherwise defined herein shall have the meanings set forth in the Resolution.

In our opinion:

1. The Series 2026B 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 2026B Bonds are entitled to the security and benefits of the Resolution.

3. Under existing statutes, the Series 2026B 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 2026B 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 2026B Bond for any period during which the Series 2026B 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 2026B Bonds or a “related person,” (ii) treated as a preference item in calculating the alternative minimum tax under the Code, and (iii) 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 2026B 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 2026B Bonds from gross income under Section 103 of the Code. Under the Code, noncompliance with such requirements may cause the interest on the Series 2026B 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.

In rendering our opinions above we have relied upon the opinion of Adams and Reese LLP with respect to the effect of the case of *The Metropolitan Government of Nashville and Davidson County vs Bill Lee et al.* on validity of the actions taken by the current Board of Commissioners in adopting the Resolution.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Series 2026B 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 2026B Bonds.

It is to be understood that the rights of the holders of the Series 2026B Bonds under the Resolution and under such Series 2026B Bonds and the enforceability of such rights may be subject to the exercise of judicial discretion, equitable principles, 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 2026B Bonds and express no opinion relating thereto.

Very truly yours,

Hawkins Delafield & Wood LLP

February 4, 2026

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, REFUNDING SERIES 2026C
\$65,950,000

At your request we have examined into the validity of Sixty-Five Million Nine Hundred Fifty Thousand Dollars (\$65,950,000) principal amount of Airport Improvement Revenue Bonds, Refunding Series 2026C (the “Series 2026C Bonds”) of The Metropolitan Nashville Airport Authority (the “Authority”). The Series 2026C 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 RC-1 upwards, bear interest payable July 1, 2026 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:

<u>Year</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Year</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2027	\$2,240,000	5.00%	2037	\$3,505,000	5.00%
2028	2,350,000	5.00	2038	3,675,000	5.00
2029	2,465,000	5.00	2039	3,865,000	5.00
2030	2,490,000	5.00	2040	4,055,000	5.00
2031	2,615,000	5.00	2041	4,260,000	5.00
2032	2,745,000	5.00	2042	4,465,000	5.00
2033	2,880,000	5.00	2043	4,695,000	5.00
2034	3,025,000	5.00	2044	4,930,000	5.00
2035	3,180,000	5.00	2045	5,175,000	5.00
2036	3,335,000	5.00			

The Series 2026C Bonds are subject to redemption prior to maturity upon the terms and conditions and at the prices set forth therein.

The Series 2026C 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-Second Supplemental Resolution of the Authority adopted October 15, 2025 and related

Certificate of Determination of the Designated Financial Officer dated January 14, 2026 (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 2026C Bonds, including the Resolution. We have also examined a specimen Series 2026C Bond.

Terms not otherwise defined herein shall have the meanings set forth in the Resolution.

In our opinion:

1. The Series 2026C 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 2026C Bonds are entitled to the security and benefits of the Resolution.

3. Under existing statutes, the Series 2026C 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 2026C 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, interest on the Series 2026C 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 2026C 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 2026C Bonds from gross income under Section 103 of the Code. Under the Code, noncompliance with such requirements may cause the interest on the Series 2026C 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.

In rendering our opinions above we have relied upon the opinion of Adams and Reese LLP with respect to the effect of the case of *The Metropolitan Government of Nashville and Davidson County vs Bill Lee et al.* on validity of the actions taken by the current Board of Commissioners in adopting the Resolution.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Series 2026C 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 2026C Bonds.

It is to be understood that the rights of the holders of the Series 2026C Bonds under the Resolution and under such Series 2026C Bonds and the enforceability of such rights may be subject to the exercise of judicial discretion, equitable principles, 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 2026C Bonds and express no opinion relating thereto.

Very truly yours,

Hawkins Delafield & Wood LLP

February 4, 2026

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, REFUNDING SERIES 2026D
\$79,885,000

At your request we have examined into the validity Seventy-Nine Million Eight Hundred Eighty-Five Thousand Dollars (\$79,885,000) principal amount of Airport Improvement Revenue Bonds, Refunding Series 2026D (the “Series 2026D Bonds”) of The Metropolitan Nashville Airport Authority (the “Authority”). The Series 2026D 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 RD-1 upwards, bear interest payable July 1, 2026 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:

<u>Year</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Year</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2027	\$3,020,000	5.00%	2037	4,005,000	5.00%
2028	3,160,000	5.00	2038	4,205,000	5.00
2029	3,305,000	5.00	2039	4,415,000	5.00
2030	3,455,000	5.00	2040	4,635,000	5.00
2031	3,620,000	5.00	2041	4,865,000	5.00
2032	3,785,000	5.00	2042	5,110,000	5.00
2033	3,675,000	5.00	2043	5,365,000	5.00
2034	3,855,000	5.00	2044	5,635,000	5.00
2035	4,050,000	5.00	2045	5,915,000	5.00
2036	3,810,000	5.00			

The Series 2026D Bonds are subject to redemption prior to maturity upon the terms and conditions and at the prices set forth therein.

The Series 2026D 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-Second Supplemental Resolution of the Authority adopted October 15, 2025 and related Certificate of Determination of the Designated Financial Officer dated January 14, 2026

(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 2026D Bonds, including the Resolution. We have also examined a specimen Series 2026D Bond.

Terms not otherwise defined herein shall have the meanings set forth in the Resolution.

In our opinion:

1. The Series 2026D 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 2026D Bonds are entitled to the security and benefits of the Resolution.

3. Under existing statutes, the Series 2026D 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 2026D 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 2026D Bond for any period during which the Series 2026D 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 2026D Bonds or a “related person,” (ii) treated as a preference item in calculating the alternative minimum tax under the Code, and (iii) interest on the Series 2026D 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 2026D 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 2026D Bonds from gross

income under Section 103 of the Code. Under the Code, noncompliance with such requirements may cause the interest on the Series 2026D 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.

In rendering our opinions above we have relied upon the opinion of Adams and Reese LLP with respect to the effect of the case of *The Metropolitan Government of Nashville and Davidson County vs Bill Lee et al.* on validity of the actions taken by the current Board of Commissioners in adopting the Resolution.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Series 2026D 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 2026D Bonds.

It is to be understood that the rights of the holders of the Series 2026D Bonds under the Resolution and under such Series 2026D Bonds and the enforceability of such rights may be subject to the exercise of judicial discretion, equitable principles, 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 2026D 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 February 4, 2026, 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) \$459,790,000 Airport Improvement Revenue Bonds, Series 2026A (Non-AMT) (the “**Series 2026A Bonds**”); (b) \$661,815,000 Airport Improvement Revenue Bonds, Series 2026B (AMT) (the “**Series 2026B Bonds**”); (c) \$65,950,000 Airport Improvement Revenue Bonds, Refunding Series 2026C (Non-AMT) (the “**Series 2026C Bonds**”); and (d) \$79,885,000 Airport Improvement Revenue Bonds, Refunding Series 2026D (AMT) (the “**Series 2026D Bonds**,” and collectively with the Series 2026A Bonds, the Series 2026B Bonds and the Series 2026C Bonds, the “**Series 2026 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-Second Supplemental Senior Resolution adopted by the Board on October 15, 2025 (the “**Twenty-Second 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 2026 Bonds by the Participating Underwriter (as hereinafter defined) in accordance with the terms of the Bond Purchase Agreement, dated January 14, 2026, 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 2026 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 2026 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, 2027. 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 2026 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 2026 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 2026 Bonds.

“Official Statement” means the Official Statement dated January 14, 2026 with respect to the Series 2026 Bonds.

“Participating Underwriter” means, collectively, the original purchasers of the Series 2026 Bonds required to comply with the Rule in connection with the offering of the Series 2026 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 2026 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 2026 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 2026 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 2026 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 (2nd) 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 2026 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 2026 Bonds, or other material events affecting the tax status of the Series 2026 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 2026 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 2026 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 2026 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 2026 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 2026 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 2026 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 2026 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 2026 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.

[Remainder of page intentional left blank; signature page follows]

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
President and Chief Executive Officer

By: _____
Margaret M. Basrai
Executive Vice President and Chief
Financial Officer

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Dissemination Agent

By: _____
Name: _____
Title: _____

[Signature page to Continuing Disclosure Agreement]

EXHIBIT A
NOTICE TO REPOSITORY OF THE OCCURRENCE OF
[INSERT THE NOTICE EVENT]

Relating to

\$459,790,000
Metropolitan Nashville Airport Authority
Airport Improvement Revenue Bonds,
Series 2026A (Non-AMT)

\$65,950,000
Metropolitan Nashville Airport Authority
Airport Improvement Revenue Bonds,
Refunding Series 2026C (Non-AMT)

\$661,815,000
Metropolitan Nashville Airport Authority
Airport Improvement Revenue Bonds,
Series 2026B (AMT)

\$79,885,000
Metropolitan Nashville Airport Authority
Airport Improvement Revenue Bonds,
Refunding Series 2026D (AMT)

Originally Issued on February 4, 2026

[**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 February 4, 2026. [**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: _____

[PAGE INTENTIONALLY LEFT BLANK]

APPENDIX H

BOOK-ENTRY ONLY SYSTEM

The information set forth in this Appendix H is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC currently in effect. The information in this Appendix H 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 DTC are advised to confirm the continued applicability of the rules, regulations and procedures of DTC. 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 2026 Senior Bonds held through the facilities of DTC 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 2026 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 2026 Senior Bonds shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Series 2026 Senior Bonds.

Introduction

Unless otherwise noted, the information contained under the caption “—General” below has been provided by DTC. The Authority makes no representations as to the accuracy or the completeness of such information. The Beneficial Owners of the Series 2026 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 2026 SENIOR BONDS UNDER THE 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 2026 SENIOR BONDS; (D) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR INTEREST DUE TO THE OWNERS OF THE SERIES 2026 SENIOR BONDS; (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNERS OF SERIES 2026 SENIOR BONDS; OR (F) ANY OTHER MATTER REGARDING DTC.

General

DTC will act as securities depository for the Series 2026 Senior Bonds. The Series 2026 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 Series 2026 Senior Bond certificate will be issued for each maturity of the Series 2026 Senior Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law,

a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 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 securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2026 Senior Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026 Senior Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2026 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 2026 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 the Series 2026 Senior Bonds, except in the event that use of the book-entry system for the Series 2026 Senior Bonds is discontinued.

To facilitate subsequent transfers, all Series 2026 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 Series 2026 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 2026 Senior Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2026 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. Beneficial Owners of Series 2026 Senior Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2026 Senior Bonds, such as redemptions, tenders, defaults and proposed amendments to the Series 2026 Senior Bond documents. For example, Beneficial Owners of Series 2026 Senior Bonds may wish to ascertain that the nominee holding the Series 2026 Senior Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

While the Series 2026 Senior Bonds are in the book-entry-only system, redemption notices will be sent to DTC. If less than all of the Series 2026 Senior Bonds of a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2026 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 the Series 2026 Senior Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2026 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 the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or 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 2026 Senior Bonds at any time by giving reasonable notice to the Authority or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates representing the Series 2026 Senior Bonds are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates representing the Series 2026 Senior Bonds will be printed and delivered to DTC.

The information in this Appendix H concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but neither the Authority nor the Underwriters take any responsibility for the accuracy thereof.

BENEFICIAL OWNERS WILL NOT RECEIVE PHYSICAL DELIVERY OF SERIES 2026 SENIOR BONDS AND WILL NOT BE RECOGNIZED BY THE PAYING AGENT AS OWNERS THEREOF, AND BENEFICIAL OWNERS WILL BE PERMITTED TO EXERCISE THE RIGHTS OF OWNERS ONLY INDIRECTLY THROUGH DTC AND THE DTC PARTICIPANTS.

[PAGE INTENTIONALLY LEFT BLANK]

