

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code
(except black lung benefit trust or private foundation)

2007

Open to Public Inspection

Department of the Treasury
Internal Revenue Service(77)

The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2007 calendar year, or tax year beginning 8/01, 2007, and ending 7/31, 2008

B Check if applicable

- ☒ Address change
☐ Name change
☐ Initial return
☐ Termination
☐ Amended return
☐ Application pending

Please use
IRS label
or print
or type.
See
specific
instruc-
tions.C
NASHVILLE OPERA ASSOCIATION
3622 REDMON STREET
NASHVILLE, TN 37209

D Employer Identification Number

62-1119830

E Telephone number

(615) 832-5242

F Accounting method

☐ Cash☒ Accrual☐ Other (specify) ▶

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations

H (a) Is this a group return for affiliates? ☐ Yes ☒ No

H (b) If 'Yes,' enter number of affiliates ▶

H (c) Are all affiliates included? ☐ Yes ☐ No

(If 'No,' attach a list. See instructions.)

H (d) Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ No

I Group Exemption Number ▶

M Check ☐ if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

G Web site: WWW.NASHVILLEOPERA.ORG

J Organization type (check only one)

☒ 501(c) 3 (insert no) ☐ 4947(a)(1) or ☐ 527K Check here ☐ if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 8,066,287.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

1 Contributions, gifts, grants, and similar amounts received

a Contributions to donor advised funds

b Direct public support (not included on line 1a)

c Indirect public support (not included on line 1a)

d Government contributions (grants) (not included on line 1a)

e Total (add lines 1a through 1d) (cash \$ 6,739,993. noncash \$)

1a

1b

1c

1d

1e

6,463,208.

276,785.

6,739,993.

2 Program service revenue including government fees and contracts (from Part VII, line 93)

3 Membership dues and assessments

4 Interest on savings and temporary cash investments

5 Dividends and interest from securities

6a Gross rents

b Less rental expenses

c Net rental income or (loss) Subtract line 6b from line 6a

7 Other investment income (describe)

6a

6b

6c

7

8a Gross amount from sales of assets other than inventory

b Less cost or other basis and sales expenses

c Gain or (loss) (attach schedule)

d Net gain or (loss) Combine line 8c, columns (A) and (B)

9 Special events and activities (attach schedule) If any amount is from gaming, check here ☒

a Gross revenue (not including \$ 64,258. of contributions reported on line 1b)

b Less direct expenses other than fundraising expenses

c Net income or (loss) from special events Subtract line 9b from line 9a

10a Gross sales of inventory, less returns and allowances

b Less cost of goods sold

c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a

11 Other revenue (from Part VII, line 103)

12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11

(A) Securities

(B) Other

495,375.

474,685.

20,690.

8a

8b

8c

8d

182,065.

77,045.

STATEMENT 2

10a

10b

10c

20,690.

105,020.

25,990.

7,514,557.

1,503,198.

783,354.

289,178.

2,575,730.

4,938,827.

4,412,307.

986,960.

10,338,094.

18 Excess or (deficit) for the year Subtract line 17 from line 12

19 Net assets or fund balances at beginning of year (from line 73, column (A))

20 Other changes in net assets or fund balances (attach explanation)

SEE STATEMENT 3

21 Net assets or fund balances at end of year Combine lines 18, 19, and 20

BAA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

TEEA0109L 12/27/07

Form 990 (2007)

SCANNED FEB 13 2009

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Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. See instructions.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach sch) (cash \$ _____) non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22a			
22b Other grants and allocations (att sch) (cash \$ _____) non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22b			
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25a Compensation of current officers, directors, key employees, etc listed in Part V-A	25a 92,700.	28,652.	47,752.	16,296.
b Compensation of former officers, directors, key employees, etc listed in Part V-B	25b 0.	0.	0.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	25c 0.	0.	0.	0.
26 Salaries and wages of employees not included on lines 25a, b, and c	26 549,013.	169,691.	282,810.	96,512.
27 Pension plan contributions not included on lines 25a, b, and c	27 16,732.	4,260.	6,000.	6,472.
28 Employee benefits not included on lines 25a - 27	28 53,162.	18,018.	21,618.	13,526.
29 Payroll taxes	29 49,931.	16,536.	25,611.	7,784.
30 Professional fundraising fees	30 13,340.			13,340.
31 Accounting fees	31			
32 Legal fees	32 9,700.		9,700.	
33 Supplies	33 4,154.		4,150.	4.
34 Telephone	34 9,004.	6,832.	2,172.	
35 Postage and shipping	35 20,643.		18,788.	1,855.
36 Occupancy	36 13,444.		13,444.	
37 Equipment rental and maintenance	37 7,212.		7,212.	
38 Printing and publications	38 43,242.		35,379.	7,863.
39 Travel	39			
40 Conferences, conventions, and meetings	40 7,407.		7,407.	
41 Interest	41 11,437.		11,437.	
42 Depreciation, depletion, etc (attach schedule)	42 55,131.		55,131.	
43 Other expenses not covered above (itemize):				
a SEE STATEMENT 4	43a 1,619,478.	1,259,209.	234,743.	125,526.
b	43b			
c	43c			
d	43d			
e	43e			
f	43f			
g	43g			
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44 2,575,730.	1,503,198.	783,354.	289,178.

Joint Costs. Check ☐ if you are following SOP 98-2Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ☐ Yes ☒ No

If 'Yes,' enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to Program services \$ _____, (iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ▶ **SEE STATEMENT 5**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
(Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others.)

a PRODUCTION ACTIVITIES FOR OPERAS: "HMS PINAFORE", "ELMER GANTRY",
"SAMSON AND DELILAH", "II TROVATORE".

(Grants and allocations \$) If this amount includes foreign grants, check here ▶ ☐

1,503,198.

b

(Grants and allocations \$) If this amount includes foreign grants, check here ▶ ☐

c

(Grants and allocations \$) If this amount includes foreign grants, check here ▶ ☐

d

(Grants and allocations \$) If this amount includes foreign grants, check here ▶ ☐

e Other program services

(Grants and allocations \$) If this amount includes foreign grants, check here ▶ ☐

f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶

1,503,198.

BAA

Form 990 (2007)

Part IV Balance Sheets (See the instructions.)**Note:** Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

		(A) Beginning of year		(B) End of year
ASSETS	45 Cash – non-interest-bearing	189,953.	45	57,859.
	46 Savings and temporary cash investments	2,027,521.	46	376,625.
	47 a Accounts receivable	47 a 55.		
	b Less: allowance for doubtful accounts	47 b	2,330.	47 c 55.
	48 a Pledges receivable	48 a 5,303,519.		
	b Less: allowance for doubtful accounts	48 b 192,815.	1,468,245.	48 c 5,110,704.
	49 Grants receivable		49	
	50 a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50 a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)		50 b	
	51 a Other notes and loans receivable (attach schedule)	51 a		
	b Less: allowance for doubtful accounts	51 b		51 c
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		54,202.	53 55,924.
	54 a Investments – publicly-traded securities	Cost FMV		54 a
	b Investments – other securities (attach sch)	Cost FMV		54 b
	55 a Investments – land, buildings, & equipment basis	55 a		
	b Less: accumulated depreciation (attach schedule)	55 b		55 c
	56 Investments – other (attach schedule)	SEE STMT 6	303,955.	56 290,488.
	57 a Land, buildings, and equipment basis	57 a 6,436,429.		
b Less: accumulated depreciation (attach schedule) STATEMENT 7	57 b 310,165.	618,543.	57 c 6,126,264.	
58 Other assets, including program-related investments (describe ► SEE STATEMENT 8)		9,305.	58 7,469.	
59 Total assets (must equal line 74). Add lines 45 through 58		4,674,054.	59 12,025,388.	
LIABILITIES	60 Accounts payable and accrued expenses	4,732.	60	499,061.
	61 Grants payable		61	
	62 Deferred revenue	257,015.	62	233,524.
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64 a Tax-exempt bond liabilities (attach schedule) SEE STATEMENT 9		64 a	839,709.
	b Mortgages and other notes payable (attach schedule) SEE STATEMENT 10		64 b	115,000.
	65 Other liabilities (describe ►)		65	
	66 Total liabilities. Add lines 60 through 65		261,747.	66 1,687,294.
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
	67 Unrestricted	523,549.	67	4,936,689.
	68 Temporarily restricted	3,480,593.	68	4,993,240.
	69 Permanently restricted	408,165.	69	408,165.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72 (Column (A) must equal line 19 and column (B) must equal line 21)	4,412,307.	73	10,338,094.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73	4,674,054.	74	12,025,388.

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Part IV-A **Reconciliation of Revenue per Audited Financial Statements with Revenue per Return** (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements		a	8,624,772.
b	Amounts included on line a but not on Part I, line 12			
1	Net unrealized gains on investments	b1	-37,281.	
2	Donated services and use of facilities	b2	1,070,451.	
3	Recoveries of prior year grants	b3		
4	Other (specify). SEE STM 11	b4	77,045.	
	Add lines b1 through b4		b	1,110,215.
c	Subtract line b from line a		c	7,514,557.
d	Amounts included on Part I, line 12, but not on line a :			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify)	d2		
	Add lines d1 and d2		d	
e	Total revenue (Part I, line 12) Add lines c and d		e	7,514,557.

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total expenses and losses per audited financial statements		a	2,698,985.
b	Amounts included on line a but not on Part I, line 17			
1	Donated services and use of facilities	b1	46,210.	
2	Prior year adjustments reported on Part I, line 20	b2		
3	Losses reported on Part I, line 20	b3		
4	Other (specify) _____ <u>SEE STMT 12</u>	b4	77,045.	
	Add lines b1 through b4			b 123,255.
c	Subtract line b from line a			c 2,575,730.
d	Amounts included on Part I, line 17, but not on line a :			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify) _____ _____	d2		
	Add lines d1 and d2			d
e	Total expenses (Part I, line 17) Add lines c and d			e 2,575,730.

Part V-A **Current Officers, Directors, Trustees, and Key Employees** (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated) (See the instructions)

[illegible]

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)

Yes	No
-----	----

75 a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings ▶ 39

b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If 'Yes,' attach a statement that identifies the individuals and explains the relationship(s)

75b		X
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c Do any officers, directors, trustees, or key employees listed in form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of 'related organization'

75c	X
-----	---

If 'Yes,' attach a statement that includes the information described in the instructions

d Does the organization have a written conflict of interest policy?

75d	X	
-----	---	--

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other

Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

[illegible]

Part VI Other Information (See the instructions.)

Yes	No
-----	----

76 Did the organization make a change in its activities or methods of conducting activities?
If 'Yes,' attach a detailed statement of each change

76	X
----	---

77 Were any changes made in the organizing or governing documents but not reported to the IRS?

77	X	
----	---	--

If 'Yes,' attach a conformed copy of the changes

78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?

78a	X
-----	---

b If 'Yes,' has it filed a tax return on **Form 990-T** for this year?

78b	N/A
-----	-----

79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement

79	X
----	---

80 a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc. to any other exempt or nonexempt organization?

80 a	X
------	---

b If 'Yes,' enter the name of the organization ▶ N/A

and check whether it is ☐ exempt or ☐ nonexempt

81 a Enter direct and indirect political expenditures (See line 81 instructions)

81 a		0
------	--	---

b Did the organization file **Form 1120-POL** for this year?

81 b	X
------	---

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Form 990 (2007)

Part VI Other Information (continued)

		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	X	
b	If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
82 b	1,070,415.		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83 b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	
84 b		N/A	
85 a	501(c)(4), (5), or (6) Were substantially all dues nondeductible by members?	N/A	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	N/A	
	If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
c	Dues, assessments, and similar amounts from members	N/A	
85 c		N/A	
d	Section 162(e) lobbying and political expenditures	N/A	
85 d		N/A	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	N/A	
85 e		N/A	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	N/A	
85 f		N/A	
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	N/A	
85 g		N/A	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	N/A	
85 h		N/A	
86	501(c)(7) organizations Enter a Initiation fees and capital contributions included on line 12	N/A	
86 a		N/A	
b	Gross receipts, included on line 12, for public use of club facilities	N/A	
86 b		N/A	
87	501(c)(12) organizations Enter a Gross income from members or shareholders	N/A	
87 a		N/A	
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	N/A	
87 b		N/A	
88 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX	X	
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' complete Part XI		X
88 b			X
89 a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 <u>0</u> , section 4912 <u>0</u> , section 4955 <u>0</u> .		
b	501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction		X
89 b			X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <u>0</u> .		
d	Enter Amount of tax on line 89c, above, reimbursed by the organization <u>0</u> .		
89 c			
e	All organizations At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
89 e			X
f	All organizations Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
89 f			X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
89 g			X
90 a	List the states with which a copy of this return is filed <u>TN</u>		
b	Number of employees employed in the pay period that includes March 12, 2007 (See instructions)	14	
90 b		14	
91 a	The books are in care of <u>LORI EUBANK</u> Telephone number <u>(615) 832-5242</u> Located at <u>3622 REDMON STREET NASHVILLE TN</u> ZIP + 4 <u>37209</u>		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If 'Yes,' enter the name of the foreign country		X
91 b			X
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts			

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Part VI Other Information (continued)

c At any time during the calendar year, did the organization maintain an office outside of the United States?

91 c

Yes ☐ No ☒

If 'Yes,' enter the name of the foreign country

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here

N/A

and enter the amount of tax-exempt interest received or accrued during the tax year

92

N/A

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a <u>TICKET SALES</u>					526,331.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					10,415.
95 Interest on savings & temporary cash invmnts					
96 Dividends & interest from securities			14	86,118.	
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from pers prop					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	20,690.	
101 Net income or (loss) from special events			1	74,330.	30,690.
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a					
b <u>GARAGE/VALET PARKING</u>			1	1,250.	
c <u>MERCHANDISE REVENUE</u>					12,848.
d <u>MISCELLANEOUS</u>			1	11,892.	
e					
104 Subtotal (add columns (B), (D), and (E))				194,280.	580,284.
105 Total (add line 104, columns (B), (D), and (E))					774,564.

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
1	SEE STATEMENT 14

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
SEE STATEMENT 15	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

Yes ☐ No ☒

b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

Yes ☐ No ☒

Note: If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions)

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

106 Did the reporting organization **make** any transfers **to** a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity

Yes	No
	X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
Totals				

107 Did the reporting organization **receive** any transfers **from** a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity

Yes	No
	X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No
	X

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here

Signature of officer: Lori Eubank Date: 1-21-09

Type or print name and title: Lori Eubank, Business Manager

Paid Preparer's Use Only

Preparer's signature: Bob Weather Date: 1-19-09

Firm's name (or yours if self-employed), address, and ZIP + 4: FRASIER, DEAN & HOWARD, PLLC
3310 WEST END AVENUE, STE. 550
NASHVILLE, TN 37203

Check if self-employed: ☒ **X** Preparer's SSN or PTIN (See General Instruction X): N/A

EIN: N/A Phone no: (615) 383-6592

BAA

Form 990 (2007)

SCHEDULE A
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service**Organization Exempt Under**
Section 501(c)(3)(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information — (See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ.**

OMB No 1545-0047

2007

Name of the organization

NASHVILLE OPERA ASSOCIATION

Employer identification number

62-1119830

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See instructions. List each one. If there are none, enter 'None.')

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account and other allowances
JOHN HOOMES FRANKLIN, TN	ARTISTIC DIR 35	79,740.	2,390.	0.
RANDY WILLIAMS NOLENSVILLE, TN	PRODUCTION MGR 35	55,000.	2,040.	0.
CARA SCHNEIDER NASHVILLE, TN	ART DIRECTOR 35	54,800.	1,200.	0.
STEVE AIKEN NASHVILLE, TN	GEN.DIR OF ADV 35	70,000.	2,567.	0.

Total number of other employees paid over \$50,000 ▶

0

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See instructions. List each one (whether individuals or firms). If there are none, enter 'None.')

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services ▶

0

Part II Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter 'None.' See instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NASHVILLE SYMPHONY ORCHESTRA ONE SYMPHONY PLACE NASHVILLE, TN 37201	ORCHESTRA	148,096.
D.F. CHASE, INC. 3001 ARMORY DRIVE NASHVILLE, TN	BUILDING CONTRACTOR	2,400,018.

Total number of other contractors receiving over \$50,000 for other services ▶

0

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Form 990-EZ.

Schedule A (Form 990 or 990-EZ) 2007

Part II Statements About Activities (See instructions.)

Yes No

- 1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ N/A
(Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)

1 X

Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking 'Yes' must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities

- 2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions.)

a Sale, exchange, or leasing of property?

2a X

b Lending of money or other extension of credit?

2b X

c Furnishing of goods, services, or facilities?

2c X

SEE FORM 990, PART V

d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?

2d X

e Transfer of any part of its income or assets?

2e X

- 3a Did the organization make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how the organization determines that recipients qualify to receive payments.)

3a X

b Did the organization have a section 403(b) annuity plan for its employees?

3b X

c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' attach a detailed statement

3c X

d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?

3d X

- 4a Did the organization maintain any donor advised funds? If 'Yes,' complete lines 4b through 4g. If 'No,' complete lines 4f and 4g

4a X

b Did the organization make any taxable distributions under section 4966?

4b N/A

c Did the organization make a distribution to a donor, donor advisor, or related person?

4c N/A

d Enter the total number of donor advised funds owned at the end of the tax year ▶

N/A

e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶

N/A

f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶

0

g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶

0.

Part IV Reason for Non-Private Foundation Status (See instructions.)I certify that the organization is not a private foundation because it is (Please check only **ONE** applicable box.)

- 5 ☐ A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6 ☐ A school Section 170(b)(1)(A)(ii) (Also complete Part V.)
- 7 ☐ A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8 ☐ A federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
- 9 ☐ A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state: _____
- 10 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A.)
- 11a ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A.)
- 11b ☐ A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A.)
- 12 ☐ An organization that normally receives (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc. functions — subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:
☐ Type I ☐ Type II ☐ Type III-Functionally Integrated ☐ Type III-Other

Provide the following information about the supported organizations. (See instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					0.

- 14 ☐ An organization organized and operated to test for public safety Section 509(a)(4) (See instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) *Use cash method of accounting.***Note:** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	4,462,153.	1,266,525.	1,463,969.	1,072,540.	8,265,187.
16 Membership fees received	6,915.	8,145.	6,915.	7,750.	29,725.
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	780,655.	689,846.	731,734.	923,216.	3,125,451.
18 Gross income from interest, dividends, amts rec'd from payments on securities loans (sec. 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less sec 511 taxes) from businesses acquired by the organization after June 30, 1975	46,709.	15,349.	7,208.	5,600.	74,866.
19 Net income from unrelated business activities not included in line 18					0.
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0.
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					0.
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets. SEE STMT 16	20,005.	27,363.			47,368.
23 Total of lines 15 through 22	5,316,437.	2,007,228.	2,209,826.	2,009,106.	11,542,597.
24 Line 23 minus line 17	4,535,782.	1,317,382.	1,478,092.	1,085,890.	8,417,146.
25 Enter 1% of line 23	53,164.	20,072.	22,098.	20,091.	115,426.

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24

b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.

c Total support for section 509(a)(1) test. Enter line 24, column (e)

d Add Amounts from column (e) for lines 18 74,866. 19 22 47,368. 26b 499,389.

e Public support (line 26c minus line 26d total)

f Public support percentage (line 26e (numerator) divided by line 26c (denominator))

26a	168,343.
26b	499,389.
26c	8,417,146.
26d	621,623.
26e	7,795,523.
26f	92.61 %

27 Organizations described on line 12: N/A

a For amounts included in lines 15, 16, and 17 that were received from a 'disqualified person,' prepare a list for your records to show the name of, and total amounts received in each year from, each 'disqualified person.' Do not file this list with your return. Enter the sum of such amounts for each year.

(2006) (2005) (2004) (2003)

b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return.

After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year.

(2006) (2005) (2004) (2003)

c Add Amounts from column (e) for lines 15 16 17 20 21

d Add Line 27a total and line 27b total

e Public support (line 27c total minus line 27d total)

f Total support for section 509(a)(2) test. Enter amount from line 23, column (e)

g Public support percentage (line 27e (numerator) divided by line 27f (denominator))

h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))

27c	
27d	
27e	
27f	
27g	%
27h	%

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

Part V Private School Questionnaire (See instructions.)

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

N/A

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If 'Yes,' please describe, if 'No,' please explain (If you need more space, attach a separate statement)		
32 Does the organization maintain the following:		
a Records indicating the racial composition of the student body, faculty, and administrative staff?		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d Copies of all material used by the organization or on its behalf to solicit contributions?		
If you answered 'No' to any of the above, please explain (If you need more space, attach a separate statement)		
33 Does the organization discriminate by race in any way with respect to		
a Students' rights or privileges?		
b Admissions policies?		
c Employment of faculty or administrative staff?		
d Scholarships or other financial assistance?		
e Educational policies?		
f Use of facilities?		
g Athletic programs?		
h Other extracurricular activities?		
If you answered 'Yes' to any of the above, please explain (If you need more space, attach a separate statement)		
34a Does the organization receive any financial aid or assistance from a governmental agency?		
b Has the organization's right to such aid ever been revoked or suspended?		
If you answered 'Yes' to either 34a or b, please explain using an attached statement		
35 Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If 'No,' attach an explanation		

Part VI-A Lobbying Expenditures by Electing Public Charities (See instructions)
(To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

Check ☐ **a** if the organization belongs to an affiliated group. Check ☐ **b** if you checked 'a' and 'limited control' provisions apply**Limits on Lobbying Expenditures**

(The term 'expenditures' means amounts paid or incurred)

		(a) Affiliated group totals	(b) To be completed for all electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount Enter the amount from the following table –			
If the amount on line 40 is –	The lobbying nontaxable amount is –		
Not over \$500,000	20% of the amount on line 40		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	41	
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44		
Caution: If there is an amount on either line 43 or line 44, you must file Form 4720			

4-Year Averaging Period Under Section 501(h)(Some organizations that made a section 501(h) election do not have to complete all of the five columns below
See the instructions for lines 45 through 50)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots non-taxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See instructions)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

Yes	No	Amount

a Volunteers**b** Paid staff or management (Include compensation in expenses reported on lines c through h.)**c** Media advertisements**d** Mailings to members, legislators, or the public**e** Publications, or published or broadcast statements**f** Grants to other organizations for lobbying purposes**g** Direct contact with legislators, their staffs, government officials, or a legislative body**h** Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means**i** Total lobbying expenditures (add lines c through h.)

If 'Yes' to any of the above, also attach a statement giving a detailed description of the lobbying activities

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Schedule A (Form 990 or 990-EZ) 2007

NASHVILLE OPERA ASSOCIATION

62-1119830

STATEMENT 1
FORM 990, PART I, LINE 8
NET GAIN (LOSS) FROM NONINVENTORY SALES

PUBLICLY TRADED SECURITIES

GROSS SALES PRICE: 495,375.
 COST OR OTHER BASIS: 474,685.

TOTAL GAIN (LOSS) PUBLICLY TRADED SECURITIES \$ 20,690.

TOTAL NET GAIN (LOSS) FROM NONINVENTORY SALES \$ 20,690.

STATEMENT 2
FORM 990, PART I, LINE 9
NET INCOME (LOSS) FROM SPECIAL EVENTS

<u>SPECIAL EVENTS</u>	<u>GROSS RECEIPTS</u>	<u>LESS CONTRI- BUTIONS</u>	<u>GROSS REVENUE</u>	<u>LESS DIRECT EXPENSES</u>	<u>NET INCOME (LOSS)</u>
LA BELLA NOTTE	190,458.	57,393.	133,065.	63,532.	69,533.
THE OPERA RAFFLE	30,690.	0.	30,690.	0.	30,690.
PREMIERE SUPPERS	24,940.	6,630.	18,310.	11,730.	6,580.
OTHER	235.	235.	0.	1,783.	-1,783.
TOTAL	\$ <u>246,323.</u>	\$ <u>64,258.</u>	\$ <u>182,065.</u>	\$ <u>77,045.</u>	\$ <u>105,020.</u>

STATEMENT 3
FORM 990, PART I, LINE 20
OTHER CHANGES IN NET ASSETS OR FUND BALANCES

AUDITORS CAPITALIZED IN-KIND SERVICES \$ 1,024,241.
 UNREALIZED LOSS ON INVESTMENTS -37,281.
 TOTAL \$ 986,960.

STATEMENT 4
FORM 990, PART II, LINE 43
OTHER EXPENSES

	(A) <u>TOTAL</u>	(B) <u>PROGRAM SERVICES</u>	(C) <u>MANAGEMENT & GENERAL</u>	(D) <u>FUNDRAISING</u>
ARCHIVAL VIDEO/DVD	3,350.	3,350.		
AUDITIONS	9,735.	9,735.		
BAD DEBT EXPENSE	1,700.		1,700.	
BANK FEES	10,671.		10,671.	
BROADCAST RECORDING	5,760.	5,760.		
BUILDING EXPENSE	59,110.		59,110.	
CAPITAL CAMPAIGN	120,371.	30,762.		89,609.
CUSTODIAL	5,428.	3,825.	1,603.	
DUES & SUBSCRIPTIONS	10,783.		10,783.	
FUNDRAISING EVENTS	35,503.			35,503.
GARAGE/VALET	10,777.	10,777.		

NASHVILLE OPERA ASSOCIATION

62-1119830

STATEMENT 4 (CONTINUED)
FORM 990, PART II, LINE 43
OTHER EXPENSES

	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT & GENERAL	(D) FUNDRAISING
GUILD CAST PARTIES	1,156.		1,156.	
GUILD CONTINGENCIES	3,743.		3,743.	
GUILD MEETINGS	2,468.		2,468.	
GUILD MERCHANDISE	7,154.		7,154.	
INSURANCE	11,396.	6,327.	5,069.	
MARKETING	105,895.		105,895.	
MISCELLANEOUS	6,940.	2,287.	4,613.	40.
PRODUCTION	1,142,179.	1,142,179.		
PUBLIC RELATIONS	17,055.		17,055.	
REHEARSAL HALL RENT	12,004.	12,004.		
SCENERY & COSTUME STORAGE	22,567.	22,567.		
STAFF MILEAGE	4,178.	2,469.	1,335.	374.
UTILITIES	9,555.	7,167.	2,388.	
TOTAL	\$ 1,619,478.	\$ 1,259,209.	\$ 234,743.	\$ 125,526.

STATEMENT 5
FORM 990, PART III
ORGANIZATION'S PRIMARY EXEMPT PURPOSE

TO PRESENT QUALITY OPERATIC AND MUSICAL PRODUCTIONS FEATURING CASTS OF NATIONALLY AND INTERNATIONALLY KNOWN SINGERS TO NASHVILLE AUDIENCES.

STATEMENT 6
FORM 990, PART IV, LINE 56
INVESTMENTS - OTHER

DESCRIPTION OF INVESTMENT	VALUATION METHOD	BOOK VALUE
BOND FUNDS	MARKET VALUE	\$ 204,945.
COMMON STOCK FUNDS	MARKET VALUE	85,543.
	TOTAL	\$ 290,488.

STATEMENT 7
FORM 990, PART IV, LINE 57
LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE
FURNITURE AND FIXTURES	\$ 340,511.	\$ 11,673.	\$ 328,838.
MACHINERY AND EQUIPMENT	48,439.	44,350.	4,089.
BUILDINGS	600,000.	66,000.	534,000.
IMPROVEMENTS	215,301.	188,142.	27,159.
MISCELLANEOUS	5,232,178.	0.	5,232,178.
TOTAL	\$ 6,436,429.	\$ 310,165.	\$ 6,126,264.

**STATEMENT 8
FORM 990, PART IV, LINE 58
OTHER ASSETS**DEFERRED LOAN COST
DEPOSITS

	\$	459.
		7,010.
TOTAL	\$	<u>7,469.</u>

**STATEMENT 9
FORM 990, PART IV, LINE 64A
TAX-EXEMPT BOND LIABILITIES**PURPOSE OF ISSUE: SEE ATTACHED STATEMENT
OUTSTANDING ISSUE AMOUNT:

		<u>BALANCE DUE</u>
	\$	839,709.
TOTAL	\$	<u>839,709.</u>

**STATEMENT 10
FORM 990, PART IV, LINE 64B
MORTGAGES AND OTHER NOTES PAYABLE**OTHER NOTES PAYABLE

LENDER'S NAME:	REGIONS BANK
MATURITY DATE:	11/15/2008
REPAYMENT TERMS:	INT. MNTHLY, PRIN REDUC. ANN.
INTEREST RATE:	5.90%
SECURITY PROVIDED:	UNSECURED
PURPOSE OF LOAN:	PURCH & RENOVATE PROPERTY
BALANCE DUE:	

\$	90,000.
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LENDER'S NAME:	SUNTRUST BANK
MATURITY DATE:	2/28/2009
REPAYMENT TERMS:	INT. MNTHLY, PRIN REDUC. ANN.
SECURITY PROVIDED:	CASH, INVESTMENTS, PROPERTY
PURPOSE OF LOAN:	PURCH & RENOVATE PROPERTY
ORIGINAL AMOUNT:	200,000.
BALANCE DUE:	

\$	25,000.
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TOTAL	\$	<u>115,000.</u>
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**STATEMENT 11
FORM 990, PART IV-A, LINE B(4)
OTHER AMOUNTS**

SPECIAL EVENT EXPENSES

	\$	77,045.
TOTAL	\$	<u>77,045.</u>

2007

FEDERAL STATEMENTS

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NASHVILLE OPERA ASSOCIATION

62-1119830

STATEMENT 12
FORM 990, PART IV-B, LINE B(4)
OTHER AMOUNTS

SPECIAL EVENT EXPENSES

TOTAL \$ 77,045.
\$ 77,045.

STATEMENT 13
FORM 990, PART V-A
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
JAMES MCGREGOR NASHVILLE, TN	PAST PRESIDENT 2.00	\$ 0.	\$ 0.	\$ 0.
JOSEPH BARKER NASHVILLE, TN	PRESIDENT 2.00	0.	0.	0.
JONATHAN WEAVER BRENTWOOD, TN	VP - FINANCE 2.00	0.	0.	0.
JIM HUNT, JR. NASHVILLE, TN	DIRECTOR 2.00	0.	0.	0.
DR. HELEN BROWN NASHVILLE, TN	PRES.-OPERA GLD 2.00	0.	0.	0.
BARBARA BOVENDER NASHVILLE, TN	DIRECTOR 2.00	0.	0.	0.
MARY ELLEN RODGERS BRENTWOOD, TN	DIRECTOR 2.00	0.	0.	0.
PATTI JAMES MURFREESBORO, TN	DIRECTOR 2.00	0.	0.	0.
THOMAS J. AARON BRENTWOOD, TN	DIRECTOR 2.00	0.	0.	0.
THOMAS ANDREWS NASHVILLE, TN	DIRECTOR 2.00	0.	0.	0.

STATEMENT 13 (CONTINUED)

FORM 990, PART V-A

LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
DOUGLAS C. ALTENBERN NASHVILLE, TN	DIRECTOR 2.00	\$ 0.	\$ 0.	\$ 0.
JENNIFER BOTTORFF NASHVILLE, TN	DIRECTOR 2.00	0.	0.	0.
JIMMY BRADFORD, JR. NASHVILLE, TN	DIRECTOR 2.00	0.	0.	0.
P. MICHAEL SAINT FRANKLIN, TN	DIRECTOR 2.00	0.	0.	0.
ANN BUMSTEAD NASHVILLE, TN	DIRECTOR 2.00	0.	0.	0.
RAMON CISNEROS FRANKLIN, TN	DIRECTOR 2.00	0.	0.	0.
BETH SEIGENTHALER COURTNEY NASHVILLE, TN	DIRECTOR 2.00	0.	0.	0.
DOUGLAS CRUICKSHANKS NASHVILLE, TN	DIRECTOR 2.00	0.	0.	0.
W. FRED WILLIAMS FRANKLIN, TN	DIRECTOR 2.00	0.	0.	0.
LESLIE DOUGLAS-CHURCHWELL, MD NASHVILLE, TN	DIRECTOR 2.00	0.	0.	0.
ANN PELDO CARGILE NASHVILLE, TN	DIRECTOR 2.00	0.	0.	0.
JUDY FISHER NASHVILLE, TN	DIRECTOR 2.00	0.	0.	0.

STATEMENT 13 (CONTINUED)

FORM 990, PART V-A

LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
A. KEY FOSTER, III NASHVILLE, TN	DIRECTOR 2.00	\$ 0.	\$ 0.	\$ 0.
MIKE HAYES NASHVILLE, TN	DIRECTOR 2.00	0.	0.	0.
MARTHA INGRAM NASHVILLE, TN	DIRECTOR 2.00	0.	0.	0.
G. BRIAN JACKSON NASHVILLE, TN	DIRECTOR 2.00	0.	0.	0.
IRV LINGO, JR. NASHVILLE, TN	DIRECTOR 2.00	0.	0.	0.
ROBERT MARTIN BRENTWOOD, TN	DIRECTOR 2.00	0.	0.	0.
ZACHARY LIFF NASHVILLE, TN	DIRECTOR 2.00	0.	0.	0.
ELIZABETH PAPEL NASHVILLE, TN	PRESIDENT ELECT 2.00	0.	0.	0.
RIC PENNISI, JR. BRENTWOOD, TN	DIRECTOR 2.00	0.	0.	0.
HAZEL R. O'LEARY NASHVILLE, TN	DIRECTOR 2.00	0.	0.	0.
PAULA ROBERTS NASHVILLE, TN	SECRETARY 2.00	0.	0.	0.
BRUCE SULLIVAN NASHVILLE, TN	DIRECTOR 2.00	0.	0.	0.

NASHVILLE OPERA ASSOCIATION

62-1119830

STATEMENT 13 (CONTINUED)

FORM 990, PART V-A

LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
ELIZABETH TIPPING WHITES CREEK, TN	DIRECTOR 2.00	\$ 0.	\$ 0.	\$ 0.
ALAN R. YUSPEH FRANKLIN, TN	DIRECTOR 2.00	0.	0.	0.
DR. WILLIAM WHETSELL, JR. NASHVILLE, TN	DIRECTOR 2.00	0.	0.	0.
DR. THEODORE WILTSIE NASHVILLE, TN	DIRECTOR 2.00	0.	0.	0.
UZI YEMIN NASHVILLE, TN	DIRECTOR 2.00	0.	0.	0.
CAROL PENTERMAN NASHVILLE, TN	EXECUTIVE DIREC 35.00	92,700.	3,600.	0.
	TOTAL	\$ 92,700.	\$ 3,600.	\$ 0.

STATEMENT 14

FORM 990, PART VIII

RELATIONSHIP OF ACTIVITIES TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES

LINE #	EXPLANATION OF ACTIVITIES
ALL	INCOME FROM TICKET SALES, PROMOTIONAL PRODUCTIONS, SUBSCRIPTIONS, AND MERCHANDISE SALES FROM OPERA PERFORMANCES OF "HMS PINAFORE", "ELMER GANTRY", "SAMSON AND DELILAH", AND "II TROVATORE". THE OPERAS ARE ANNUAL EVENTS HELD BY THE ORGANIZATION TO FURTHER ITS TAX-EXEMPT PURPOSE. NO PART OF THE NET EARNINGS INURE TO THE BENEFIT OF ANY PRIVATE SHAREHOLDER OR INDIVIDUAL, OR TO INFLUENCE LEGISLATION. THE ORGANIZATION DOES NOT PARTICIPATE IN ANY POLITICAL ACTIVITY.

NASHVILLE OPERA ASSOCIATION

62-1119830

STATEMENT 15
FORM 990, PART IX
INFORMATION REGARDING TAXABLE SUBSIDIARIES

NAME, ADDRESS AND EIN OF CORPORATION, PARTNERSHIP, OR DISREGARDED ENTITY	% OF OWNER INT.	NATURE OF ACTIVITIES	TOTAL INCOME	END OF YEAR ASSETS
NASHVILLE OPERA COMPANY, LLC 3622 REDMON STREET NASHVILLE, TN 37209 62-1119830	100.00%	PROFESSIONAL PROD	995,626.	27,159.
NOA FOUNDATION, LLC. 3622 REDMON STREET NASHVILLE, TN 37209 62-1119830	100.00%	CAPITAL CAMPAIGN	-9,171.	397,216.
NOAH LIFF OPERA CENTER, LLC. 3622 REDMON STREET NASHVILLE, TN 37209 62-1119830	100.00%	PROVIDE OCCUPANCY	2,226,954.	11,342,922.

STATEMENT 16
SCHEDULE A, PART IV-A, LINE 22
OTHER INCOME

DESCRIPTION	(A) 2006	(B) 2005	(C) 2004	(D) 2003	(E) TOTAL
GARAGE/VALET PARKING	\$ 1,060.	\$ 2,150.	\$ 0.	\$ 0.	\$ 3,210.
MERCHANDISE REVENUE	10,701.	11,431.	0.	0.	22,132.
MISCELLANEOUS	8,244.	13,782.	0.	0.	22,026.
TOTAL	<u>\$ 20,005.</u>	<u>\$ 27,363.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 47,368.</u>

NASHVILLE OPERA ASSOCIATION

62-1119830

FORM 990, PART II, LINE 42 - DEPRECIATION

BUILDING, EQUIPMENT AND LEASEHOLD IMPROVEMENTS ARE RECORDED AT COST OR AT FAIR MARKET VALUE AS OF THE DATE PURCHASED OR CONTRIBUTED. RENEWALS AND BETTERMENTS THAT MATERIALLY EXTEND THE LIFE OF THE ASSET ARE CAPITALIZED. DEPRECIATION IS PROVIDED IN AMOUNTS NECESSARY TO ALLOCATE THE COSTS OF THE VARIOUS CLASSES OF ASSETS USING STRAIGHT-LINE METHODS OVER THE ESTIMATED USEFUL LIVES OF THE RESPECTIVE ASSETS, GENERALLY RANGING FROM 5 TO 25 YEARS.

FORM 990, PART VI, LINE 77

AS AN OFFICER AUTHORIZED TO SIGN FOR NASHVILLE OPERA ASSOCIATION, I CERTIFY THAT THE ATTACHED SINGLE MEMBER LLC OPERATING AGREEMENTS ARE A COMPLETE AND ACCURATE COPY OF THE ORIGINAL DOCUMENTS.

SIGNED: _____TITLE: Executive DirectorDATE: 1-21-09

Nashville Opera Association
EIN - 62-1119830
2007 IRS Form 990
Tax-Exempt Bond

Tax-exempt bond issuer: The Industrial Development Board of the Metropolitan
Government of Nashville and Davidson County
Date issued: January 30, 2008
Amount of bond issue: \$3,000,000
Unexpended proceeds: As of 7/31/2008, \$2,160,291
Maturity date: February 1, 2012
Repayment terms: Principal payments are required to reduce the aggregate
outstanding principal balance to the following amount on
the following dates.

<i>Date</i>	<i>Maximum Outstanding Balance</i>
February 1, 2009	\$ 2,500,000
February 1, 2010	\$ 1,600,000
February 1, 2011	\$ 600,000
February 1, 2012	\$ - 0 -

Interest rate: 79% of 30-day LIBOR plus 1.59% to be paid monthly
Security provided: Negative pledge with respect to all real property
Purpose of the issue: 1) Refinancing existing indebtedness, and
2) Financing the construction, renovation and equipping of
property located on Redmon Street in Nashville, Tennessee
Usage of facility: No portion of the bond financed facility was used by a third
party.

LIMITED LIABILITY COMPANY OPERATING AGREEMENT

OF

NOAH LIFF OPERA CENTER, LLC

THIS OPERATING AGREEMENT (this "Agreement") is made by the undersigned sole Member of the Company as of _____, 2007.

WITNESSETH:

WHEREAS, the Member desires to form a limited liability company under and pursuant to the Tennessee Revised Limited Liability Company Act, as amended (the "Act") to conduct certain business as a limited liability company, and to set forth certain rights and obligations pertaining to the internal affairs of the Company and the conduct of its business.

NOW, THEREFORE, the Member sets forth the following:

ARTICLE 1

Definitions

1.1 Definitions. As used herein the following terms shall have the indicated meanings. Terms not otherwise defined herein shall have the meaning set forth in Act.

- (a) "*Act*" means the Tennessee Revised Limited Liability Company Act in effect on the date hereof and as may be hereafter amended.
- (b) "*Agreement*" means this Operating Agreement as may be hereafter amended.
- (c) "*Company*" means Noah Liff Opera Center, LLC, the limited liability company formed by the Member.
- (d) "*Member*" means Nashville Opera Association, a Tennessee not-for-profit corporation recognized under §501(c) (3) of the Internal Revenue Code, which is the sole member of the Company.
- (e) "*Opera Company*" means Nashville Opera Company, LLC, a limited liability company of which the Member is the sole member, and which is dedicated to producing operas and performing related activities.

ARTICLE 2

General

2.1 Effective Date of Agreement The effective date of this Agreement (the "Effective Date") shall be the date first set forth above.

2.2 Adoption of Certificate; Resignation of Organizer The Articles of Organization as filed by _____, as organizer of the Company, that has been filed with the Secretary of State of Tennessee (the "Articles of Organization"), are hereby adopted by, and all actions taken in organizing the Company, including, but not limited to, the filing of such Articles of Organization, are in all respects ratified, confirmed, adopted, and approved. The resignation of _____, as organizer, is hereby accepted.

2.3 Company's Name and Registered Office The name of the limited liability company is Noah Liff Opera Center, LLC (the "Company"). The Company's registered agent and registered office shall be as set forth in the Articles.

2.4 Member The Company's sole member is Nashville Opera Association, a Tennessee not-for-profit corporation ("Member").

2.5 Principal Place of Business of Company The Company's principal place of business shall be at such place as may be designated by the Board of Directors from time to time

2.6 Director-Managed As set forth in the Article of Organization of the Company, the Company is a Director-Managed LLC described in the Act.

2.7 Purpose: Non-profit Status The specific objective and purpose of this Company are to provide office, meeting, studio and performance spaces for the Member and the Opera Company.

The Company shall be organized and thereafter operated exclusively for public charitable uses and purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. The Company shall serve only such purposes and functions and shall engage only in activities as are consonant with the purposes herein stated and as are exclusively charitable and are entitled to charitable status under Section 501(c)(3) of the Internal Revenue Code.

No part of the net earnings of the Company shall inure to the benefit of, or be distributable to a private person (other than the Member); but the Company shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes as set forth in this Section 2.7.

No substantial part of the activities of the Company shall be the carrying on of propaganda, or otherwise attempting to influence legislation; and the Company shall not participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

Notwithstanding any other provisions of the Member's Charter or the Company's Articles of Organization, the Company shall not carry on any other activities not permitted to be carried on:

(i) By a company exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code and which is other than a private foundation within the meaning of Section 509(a) of the Internal Revenue Code, or

(ii) By a company, contributions to which are deductible for federal income tax purposes under Section 170(c)(2) of the Internal Revenue Code.

2.8 Limited Liability of Member. The Member shall not be personally obligated to any third party for any debt, obligation or liability of the Company solely by reason of being a member.

2.9 Additional Members. Whether additional members shall be admitted as members of the Company shall be in the sole discretion of the Member.

2.10 Relation of Agreement to Articles of Organization. If there is any conflict between the provisions of this Agreement and those of the Articles of Organization, the provisions of the Articles of Organization shall prevail, including, without limitation, the provisions of the Articles of Organization that govern the Company's status as a single purpose entity and maintenance of itself as a separate legal entity.

ARTICLE 3

Capital Contributions

The Member has caused the formation of the Company and has borne the legal and other costs of so doing. Such actions by the Member shall be deemed to be a capital contribution to the Company valued at \$1,000. The Member shall have no duty to make additional capital contributions to the Company.

ARTICLE 4

Allocations and Distributions of Revenues in Excess of Expenses of the Company

Only the Member shall be entitled to allocations of any revenues of the Company in excess of expenses and other Company assets. No other person shall have any right to any such allocations or distributions. It shall be within the sole and exclusive discretion of the Member to decide whether to distribute cash and other assets to the Member.

ARTICLE 5

Company Management

Board of Directors

5.1 Management of the Company. The Company shall be managed solely by a Board of Directors of not less than three individuals nor more than five individuals. The Member shall appoint three members of the Board of Directors from the Board of Directors of the Member and those three members shall elect two additional persons as members of the Board of Directors. The additional individuals need not have any association with the Member or any of its affiliates.

5.2 Classification and Term. Unless the Member shall determine otherwise, each director shall serve for a period of three years or until his or her successor is elected and qualified. A successor may be elected to fill the remainder of an unexpired term of a director.

who has resigned, died or been removed from office, in which case, the term of such director shall expire at the same time the term of the replaced director would have expired.

5.3 Qualifications. Directors shall be of the age of majority in this state and shall have an abiding interest in the success of opera in Nashville.

5.4 Powers and Duties. Subject to the provisions of the laws of this state and the provisions of this Agreement, the activities and affairs of this Company shall be conducted and all corporate powers shall be exercised by or under the direction of the board.

5.5 Duties. It shall be the duty of the directors to:

- (a) Perform any and all duties imposed on them collectively or individually by law, by the Articles of Organization, or by this Agreement;
- (b) Supervise all officers, agents and employees of the Company to assure that their duties are performed properly;
- (c) Meet at such times and places as required by this Agreement;
- (d) Register their addresses with the Secretary of the Company, and notices of meeting mailed or telegraphed to them at such addresses shall be valid notices thereof.

5.6 Compensation. Directors shall serve without compensation. Directors may be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their duties, if approved in advance by the President.

5.7 Place of Meetings. Meetings shall be held at the principal office of the Company unless otherwise provided by the board or at such other place as may be designated from time to time by resolution of the board.

5.8 Regular Meetings. Regular meetings of the Board shall be held at such times as the Board of Directors may specify at the principal office of the Company, or at such other time and place as may be specified in the notice of the meeting. In any event, the Board shall meet at least once each year.

5.9 Special Meetings. Special meetings of the board may be called by the President, the Vice-President, or the Secretary of the Company. Such meetings shall be held at the principal office of the Company or, if different, at the place designated by the person or persons calling the special meeting.

5.10 Notice of Meetings. Unless otherwise provided by the Articles of Organization, this Agreement, or provisions of law, the following provisions shall govern the giving of notice for meeting of the board:

- (a) Time for and contents of notice. At least one week prior notice shall be given by the Secretary of the Company to each director of each regular and special meeting of the board. Such notice may be oral or written, may be given personally, by first class mail, by telephone, by e-mail, or by facsimile machine, and shall state

the place, date and time of the meeting and the matters proposed to be acted upon at the meeting.

- (b) Waiver of Notice. Whenever any notice of a meeting is required to be given to any director of this Company under provisions of the Articles of Organization, this Agreement, or the law of this state, actual attendance at the meeting, or a waiver of notice in writing signed by the director, whether before or after the time of the meeting, shall be equivalent to the giving of such notice.

5.11 Quorum for Meetings. A quorum shall consist of a majority of the Board of Directors. The members of the Board of Directors present at a meeting at which a quorum is present shall be deemed to be the only Directors entitled to vote on the matters before that particular meeting. Except as otherwise provided under the Articles of Organization, these Bylaws, or provisions of law, no business shall be considered by the board at any meeting at which the required quorum is not present, and the only motion which the Chair shall entertain at such meeting is a motion to adjourn.

5.12 Majority Action as Board Action. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the board, unless the Articles of Organization, , this Agreement, or provisions of law require a greater percentage or different voting rules for approval of a matter by the board

5.13 Conduct of Meetings. The President of the Company shall chair the meeting. In the absence of the President the Chair shall be chosen by a majority of the directors present and voting at the meeting. The Secretary of the Company or such other person as may be designated by the presiding officer shall act as secretary of all meetings of the board.

Meetings shall be governed by Robert's Rules of Order Newly Revised 1990 Edition, or by such other procedures as may be approved from time to time by the board, insofar as such rules are not inconsistent with or in conflict with the Articles of Organization, this Agreement, or with provisions of law.

5.14 Written Consent in Lieu of a Meeting. The Board of Directors shall have the power to take any action which could be taken at a meeting by a writing executed by a majority of the members of the Board of Directors.

5.15 Vacancies. Vacancies on the board shall exist on the death, resignation or removal of any director. Unless otherwise specified by the Member, the term of a person elected to fill a vacancy on the board shall expire at the same time as the term of the replaced director would have expired.

5.16 Removal and Resignation of Directors. Any director may resign effective upon giving written notice to the President, the Secretary, or the board, unless the notice specifies a later time for the effectiveness of such resignation.

Directors may be removed from office, with or without cause, by the Member.

5.17 Nonliability of Directors. The directors shall not be personally liable for the debts, liabilities, or other obligations of the Company.

5.18 Indemnification by Company of Directors and Officers The Company shall indemnify and advance expenses to each director of the Company, or any person who may have served at its request as a director of another entity, to the full extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted. The Company may indemnify and advance expenses to any employee or agent of the Company who is not a director to the same extent as to a director, if the board determines that to do so is in the best interest of the Company.

The indemnification and advancement of expenses provisions herein shall be in addition to any other right which any person may have or hereafter acquire under any statute, provision of the Article of Organization, provision of this Agreement, resolution adopted by the members, resolution adopted by the board, agreement, insurance purchased by or applicable to, the Company or otherwise, both as to action in his or her official capacity and as to action in another capacity.

The Company may maintain insurance, at its expense to protect itself and any individual who is or was a director, officer, or employee or agent of the Company, is or was serving at its request as a director, officer, partner, trustee, employee or agent of another Company, partnership, joint venture, trust employee benefit plan or other enterprise against any expense, liability or loss whether or not the Company would have the power to indemnify such person against such expense, liability or loss under the Act, as it may be amended from time to time.

5.19 Insurance for Corporate Agents. Except as may be otherwise provided under provisions of law, the board may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the Company (including a director, officer, employee or other agent of the Company) against liabilities asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the Company would have the power to indemnify the agent against such liability under the Articles of Organization, this Agreement or provisions of law.

Officers

5.20 Designation of Officers and Agents. The officers of the Company shall be elected by the Board of the Company, and shall be a President, Treasurer, and Secretary. The Executive Director of the Member shall serve on the Board ex officio.

5.21 Qualifications. Any person may serve as officer of this Company.

5.22 Election and Term of Office. Officers shall be elected by the board, at any time, to serve indefinitely until he or she resigns or is removed or is otherwise disqualified to serve, or until his or her successor shall be elected and qualified.

5.23 Removal and Resignation. Any officer may be removed, either with or without cause, by the board, at any time. Any officer may resign at any time by giving written notice to the board or to the President or Secretary of the Company. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Moreover, notwithstanding any other provision of this Agreement to the contrary, the Member acting through its Board of Directors shall have the power to remove any officer of the Company

elected by the Board of Directors and to replace such person with a person designated by the Member.

5.24 Vacancies. Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the board. In the event of a vacancy in any office other than that of President, such vacancy may be filled temporarily by appointment by the President until such time as the board shall fill the vacancy. Vacancies occurring in offices of officers appointed at the discretion of the board may or may not be filled as the board shall determine.

5.25 Duties of Officers.

- (a) Executive Director. The Executive Director of the Member shall serve as the Chief Executive Officer of the Company, and shall perform such duties as may be determined and designated by the board from time to time. The Executive Director shall be an ex-officio member of all committees.
- (b) Duties of President. The President shall perform such duties as may be determined and designated by the board from time to time, and shall preside at all meetings of the board. The President is an ex-officio member of all committees.
- (c) Duties of Vice President Finance/Treasurer. The Vice President of Finance/Treasurer shall oversee custody of the corporate funds and securities in such depositories as may be designated by the board and shall supervise the keeping of full and accurate accounts of receipts and disbursements in books belonging to the Company.
- (d) Duties of the Secretary. The Secretary shall attend all sessions of the board, and shall cause all notes and minutes of proceedings to be recorded in a book kept for that purpose, and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the board and shall perform such other duties as may be prescribed by the President. He or she shall attest by his or her signature the execution of any documents or instruments requiring such attestation.

5.26 Execution of Documents. Any deed, deed of trust, bill of sale, lease agreement, security agreement, financing statement, contract of purchase or sale, partnership agreement or joint venture agreement, or other contract or instrument purporting to bind the Company or to convey or encumber any of the assets of the Company in the ordinary course of business may be signed by the chief executive officer, president or any vice president and no other signature shall be required.

ARTICLE 6

Transfers and Pledges of Membership Interests

6.1 Transfers of Membership Interests. The Member, in the Member's sole discretion, may transfer (whether by sale, gift or otherwise) all or any part of the Member's membership rights, including financial rights and/or governance rights, to any person at any time. The Member may make any such transfer under any terms and conditions, which the Member deems appropriate.

6.2 Pledges. The Member shall have exclusive and absolute discretion to pledge all or any part of the Member's membership rights to any person at any time as collateral for any debt of the Member. The Member may make any such pledge under any terms and conditions that the Member deems appropriate.

ARTICLE 7 Accounting and Tax

7.1 Books and Records. The Company shall maintain on a current basis accurate books of account.

7.2 Tax Characterization. It is the intention of the Member that the Company be disregarded for federal and all relevant state tax purposes and that the activities of the Company be deemed to be activities of the Member for such purposes. All provisions of the Company's Articles of Organization and this Agreement are to be construed so as to preserve that tax status under those circumstances.

7.3 Annual Accounting Period of Company. The Company's annual accounting period for financial purposes shall be the same as the Member's annual accounting period

ARTICLE 8 Dissolution

8.1 Definition of Dissolution, Winding Up and Liquidation. For purposes of this Agreement.

- (a) Dissolution. The dissolution of the Company shall mean the cessation of its normal business activities and the beginning of the process of winding it up and liquidating it.
- (b) Winding Up. The winding up of the Company shall mean the process of concluding its existing business activities and internal affairs and preparing for its liquidation.
- (c) Liquidation. The liquidation of the Company shall mean the sale or other disposition of its assets and the distribution of its assets (or the distribution of the proceeds of the sale or other disposition of its assets) to its creditors and to the Member.

8.2 Dissolution of Company. Subject to any restrictions set forth in the Articles of Organization, the Member may determine whether and when to dissolve the Company.

8.3 Winding Up and Liquidation of Company; Distribution of Company Assets. Promptly after a determination is made to terminate the legal existence of the Company, the president shall wind up its business and internal affairs, shall liquidate it, and shall distribute its assets to the Company's creditors and the Member in accordance with the LLC Act.

Notwithstanding the foregoing, upon dissolution of the Company, the Member shall, after paying or making provision for payment of all of the liabilities of the Company, dispose of all of the assets of the Company by distributing those assets exclusively for the purposes of the Company, in such manner, or to such organizations organized and operated exclusively for

public charitable uses and purposes as shall at the time qualify as exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, and as other than a private foundation under Section 509(a) of the Internal Revenue Code, as the Board of Managers shall determine. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction for the county in which the principal office of the Company is then located, exclusively for such purposes or to such organization or organizations as said court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE 9

Term and Termination

The term of this Agreement shall begin on the Effective Date and shall end upon the earlier of:

- (a) The date on which the Company ceases to exist under this Agreement or under other applicable law; and
- (b) The date on which the Member determines to terminate the Agreement.

ARTICLE 10

Miscellaneous Provisions

10.1 Amendments. No amendment of this Agreement shall be valid unless it is set forth in a writing signed by the Member.

10.2 Governing Law. This Agreement shall be governed exclusively by the laws of the State of Tennessee.

10.3 Captions. Captions in this Agreement are for convenience only and shall be deemed irrelevant in construing its provisions.

[signature page to follow]

IN WITNESS WHEREOF, this Operating Agreement of Noah Liff Opera Center, LLC,
is executed by the sole member of the Company as of the date first written above.

NASHVILLE OPERA ASSOCIATION

By: _____
Name: _____
Title: _____

LIMITED LIABILITY COMPANY OPERATING AGREEMENT
OF
NOA FOUNDATION, LLC

THIS OPERATING AGREEMENT (this "Agreement") is made by the undersigned sole Member of the Company as of December 4, 2007.

W I T N E S E T H

WHEREAS, the Member desires to form a limited liability company under and pursuant to the Tennessee Revised Limited Liability Company Act, as amended (the "Act") to conduct certain business as a limited liability company, and to set forth certain rights and obligations pertaining to the internal affairs of the Company and the conduct of its business

NOW, THEREFORE, the Member sets forth the following

ARTICLE 1

Definitions

1.1 Definitions. As used herein the following terms shall have the indicated meanings. Terms not otherwise defined herein shall have the meaning set forth in Act.

- (a) "*Act*" means the Tennessee Revised Limited Liability Company Act in effect on the date hereof and as may be hereafter amended.
- (b) "*Agreement*" means this Operating Agreement as may be hereafter amended.
- (c) "*Company*" means NOA Foundation, LLC, the limited liability company formed by the Member
- (d) "*Member*" means Nashville Opera Association, a Tennessee not-for-profit corporation recognized under §501(c) (3) of the Internal Revenue Code, which is the sole member of the Company.
- (e) "*Opera Company*" means Nashville Opera Company, LLC, a limited liability company of which the Member is the sole member, and which is dedicated to producing operas and performing related activities.
- (f) "*Liff Center LLC*" means Noah Liff Opera Center, LLC, a limited a limited liability company of which the Member is the sole member, and which is dedicated providing office, meeting, studio and performance spaces for the Member and the Opera Company.

ARTICLE 2

General

2.1 Effective Date of Agreement The effective date of this Agreement (the "Effective Date") shall be the date first set forth above.

2.2 Adoption of Certificate; Resignation of Organizer The Articles of Organization as filed by John E. Gillmor, as organizer of the Company, that has been filed with the Secretary of State of Tennessee (the "Articles of Organization"), are hereby adopted by, and all actions taken in organizing the Company, including, but not limited to, the filing of such Articles of Organization, are in all respects ratified, confirmed, adopted, and approved. The resignation of John E. Gillmor, as organizer, is hereby accepted.

2.3 Company's Name and Registered Office The name of the limited liability company is NOA Foundation, LLC (the "Company") The Company's registered agent and registered office shall be as set forth in the Articles.

2.4 Member The Company's sole member is Nashville Opera Association, a Tennessee not-for-profit corporation ("Member")

2.5 Principal Place of Business of Company The Company's principal place of business shall be at such place as may be designated by the Board of Directors from time to time

2.6 Director-Managed As set forth in the Article of Organization of the Company, the Company is a Director-Managed LLC described in the Act.

2.7 Purpose; Non-profit Status The specific objective and purpose of this Company are to raise and arrange for the raising of endowment and capital funds for the Opera Company and the Liff Center LLC through the Opera Company as its agent, to prudently invest those funds and to make disbursements from such funds to the Member as are necessary and prudent to support the Opera Company and the Liff Center LLC.

The Company shall be organized and thereafter operated exclusively for public charitable uses and purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. The Company shall serve only such purposes and functions and shall engage only in activities as are consonant with the purposes herein stated and as are exclusively charitable and are entitled to charitable status under Section 501(c)(3) of the Internal Revenue Code.

No part of the net earnings of the Company shall inure to the benefit of, or be distributable to a private person (other than the Member); but the Company shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes as set forth in this Section 2.7.

No substantial part of the activities of the Company shall be the carrying on of propaganda, or otherwise attempting to influence legislation; and the Company shall not participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

Notwithstanding any other provisions of the Member's Charter or the Company's Articles of Organization, the Company shall not carry on any other activities not permitted to be carried on:

(i) By a company exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code and which is other than a private foundation within the meaning of Section 509(a) of the Internal Revenue Code; or

(ii) By a company, contributions to which are deductible for federal income tax purposes under Section 170(c)(2) of the Internal Revenue Code.

2.8 Limited Liability of Member. The Member shall not be personally obligated to any third party for any debt, obligation or liability of the Company solely by reason of being a member.

2.9 Additional Members. Whether additional members shall be admitted as members of the Company shall be in the sole discretion of the Member.

2.10 Relation of Agreement to Articles of Organization. If there is any conflict between the provisions of this Agreement and those of the Articles of Organization, the provisions of the Articles of Organization shall prevail, including, without limitation, the provisions of the Articles of Organization that govern the Company's status as a single purpose entity and maintenance of itself as a separate legal entity

ARTICLE 3

Capital Contributions

The Member has caused the formation of the Company and has borne the legal and other costs of so doing. Such actions by the Member shall be deemed to be a capital contribution to the Company valued at \$1,000. The Member shall have no duty to make additional capital contributions to the Company.

ARTICLE 4

Allocations and Distributions of Revenues in Excess of Expenses of the Company

Only the Member shall be entitled to allocations of any revenues of the Company in excess of expenses and other Company assets. No other person shall have any right to any such allocations or distributions. It shall be within the sole and exclusive discretion of the Member to decide whether to distribute cash and other assets to the Member.

ARTICLE 5 Company Management

Board of Directors

5.1 Management of the Company The Company shall be managed solely by a Board of Directors of not less than three individuals nor more than five individuals. The Member shall appoint three members of the Board of Directors from the Board of Directors of the Member, one of whom shall be the President of the Member, and those three members shall elect two additional persons as members of the Board of Directors. The additional individuals need not have any association with the Member or any of its affiliates.

5.2 Classification and Term. Unless the Member shall determine otherwise, each director shall serve for a period of three years or until his or her successor is elected and qualified. A successor may be elected to fill the remainder of an unexpired term of a director who has resigned, died or been removed from office, in which case, the term of such director shall expire at the same time the term of the replaced director would have expired.

5.3 Qualifications Directors shall be of the age of majority in this state and shall have an abiding interest in the success of opera in Nashville.

5.4 Powers and Duties. Subject to the provisions of the laws of this state and the provisions of this Agreement, the activities and affairs of this Company shall be conducted and all corporate powers shall be exercised by or under the direction of the board.

5.5 Duties It shall be the duty of the directors to

- (a) Perform any and all duties imposed on them collectively or individually by law, by the Articles of Organization, or by this Agreement;
- (b) Supervise all officers, agents and employees of the Company to assure that their duties are performed properly;
- (c) Meet at such times and places as required by this Agreement;
- (d) Register their addresses with the Secretary of the Company, and notices of meeting mailed or telegraphed to them at such addresses shall be valid notices thereof.

5.6 Compensation. Directors shall serve without compensation. Directors may be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their duties, if approved in advance by the President.

5.7 Place of Meetings. Meetings shall be held at the principal office of the Company unless otherwise provided by the board or at such other place as may be designated from time to time by resolution of the board.

5.8 Regular Meetings. Regular meetings of the Board shall be held at such times as the Board of Directors may specify at the principal office of the Company, or at such other time and place as may be specified in the notice of the meeting. In any event, the Board shall meet at least once each year.

5.9 Special Meetings. Special meetings of the board may be called by the President, the Vice-President, or the Secretary of the Company. Such meetings shall be held at the principal office of the Company or, if different, at the place designated by the person or persons calling the special meeting

5.10 Notice of Meetings. Unless otherwise provided by the Articles of Organization, this Agreement, or provisions of law, the following provisions shall govern the giving of notice for meeting of the board:

- (a) Time for and contents of notice. At least one week prior notice shall be given by the Secretary of the Company to each director of each regular and special meeting of the board. Such notice may be oral or written, may be given personally, by first class mail, by telephone, by e-mail, or by facsimile machine, and shall state the place, date and time of the meeting and the matters proposed to be acted upon at the meeting.
- (b) Waiver of Notice. Whenever any notice of a meeting is required to be given to any director of this Company under provisions of the Articles of Organization, this Agreement, or the law of this state, actual attendance at the meeting, or a waiver of notice in writing signed by the director, whether before or after the time of the meeting, shall be equivalent to the giving of such notice.

5.11 Quorum for Meetings. A quorum shall consist of a majority of the Board of Directors. The members of the Board of Directors present at a meeting at which a quorum is present shall be deemed to be the only Directors entitled to vote on the matters before that particular meeting. Except as otherwise provided under the Articles of Organization, these Bylaws, or provisions of law, no business shall be considered by the board at any meeting at which the required quorum is not present, and the only motion which the Chair shall entertain at such meeting is a motion to adjourn

5.12 Majority Action as Board Action. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the board, unless the Articles of Organization, , this Agreement, or provisions of law require a greater percentage or different voting rules for approval of a matter by the board

5.13 Conduct of Meetings. The President of the Member shall chair the meeting. In the absence of the President the Chair shall be chosen by a majority of the directors present and voting at the meeting. The Secretary of the Company or such other person as may be designated by the presiding officer shall act as secretary of all meetings of the board.

Meetings shall be governed by Robert's Rules of Order Newly Revised 1990 Edition, or by such other procedures as may be approved from time to time by the board, insofar as such rules are not inconsistent with or in conflict with the Articles of Organization, this Agreement, or with provisions of law.

5.14 Written Consent in Lieu of a Meeting. The Board of Directors shall have the power to take any action which could be taken at a meeting by a writing executed by a majority of the members of the Board of Directors.

5.15 Vacancies Vacancies on the board shall exist on the death, resignation or removal of any director. Unless otherwise specified by the Member, the term of a person elected to fill a vacancy on the board shall expire at the same time as the term of the replaced director would have expired.

5.16 Removal and Resignation of Directors. Any director may resign effective upon giving written notice to the President, the Secretary, or the board, unless the notice specifies a later time for the effectiveness of such resignation.

Directors may be removed from office, with or without cause, by the Member

5.17 Nonliability of Directors The directors shall not be personally liable for the debts, liabilities, or other obligations of the Company.

5.18 Indemnification by Company of Directors and Officers. The Company shall indemnify and advance expenses to each director of the Company, or any person who may have served at its request as a director of another entity, to the full extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted. The Company may indemnify and advance expenses to any employee or agent of the Company who is not a director to the same extent as to a director, if the board determines that to do so is in the best interest of the Company.

The indemnification and advancement of expenses provisions herein shall be in addition to any other right which any person may have or hereafter acquire under any statute, provision of the Article of Organization, provision of this Agreement, resolution adopted by the members, resolution adopted by the board, agreement, insurance purchased by or applicable to, the Company or otherwise, both as to action in his or her official capacity and as to action in another capacity.

The Company may maintain insurance, at its expense to protect itself and any individual who is or was a director, officer, or employee or agent of the Company, is or was serving at its request as a director, officer, partner, trustee, employee or agent of another Company, partnership, joint venture, trust employee benefit plan or other enterprise against any expense, liability or loss whether or not the Company would have the power to indemnify such person against such expense, liability or loss under the Act, as it may be amended from time to time.

5.19 Insurance for Corporate Agents. Except as may be otherwise provided under provisions of law, the board may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the Company (including a director, officer, employee or other agent of the Company) against liabilities asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the Company would have the power to indemnify the agent against such liability under the Articles of Organization, this Agreement or provisions of law.

Officers

5.20 Designation of Officers and Agents. The officers of the Company shall be a President, Treasurer, and Secretary; the President shall be the President serving from time to time of the Member and the Board of the Company shall elect the other officers. The Executive Director of the Member shall serve on the Board ex officio

5.21 Qualifications. Any person may serve as officer of this Company

5.22 Election and Term of Office. Officers shall be elected by the board, at any time, to serve indefinitely until he or she resigns or is removed or is otherwise disqualified to serve, or until his or her successor shall be elected and qualified.

5.23 Removal and Resignation. Any officer may be removed, either with or without cause, by the board, at any time. Any officer may resign at any time by giving written notice to the board or to the President or Secretary of the Company. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Moreover, notwithstanding any other provision of this Agreement to the contrary, the Member acting through its Board of Directors shall have the power to remove any officer of the Company elected by the Board of Directors and to replace such person with a person designated by the Member

5.24 Vacancies. Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the board. In the event of a vacancy in any office other than that of President, such vacancy may be filled temporarily by appointment by the President until such time as the board shall fill the vacancy. Vacancies occurring in offices of officers appointed at the discretion of the board may or may not be filled as the board shall determine

5.25 Duties of Officers.

- (a) Executive Director. The Executive Director of the Member shall serve as the Chief Executive Officer of the Company, and shall perform such duties as may be determined and designated by the board from time to time. The Executive Director shall be an ex-officio member of all committees.
- (b) Duties of President. The President shall perform such duties as may be determined and designated by the board from time to time, and, shall preside at all meetings of the board. The President is an ex-officio member of all committees.
- (c) Duties of Treasurer. The Treasurer shall oversee custody of the corporate funds and securities in such depositories as may be designated by the board and shall supervise the keeping of full and accurate accounts of receipts and disbursements in books belonging to the Company.
- (d) Duties of the Secretary. The Secretary shall attend all sessions of the board, and shall cause all notes and minutes of proceedings to be recorded in a book kept for that purpose, and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the board and shall perform such other duties as may be prescribed by the President. He or she shall attest by his or her signature the execution of any documents or instruments requiring such attestation.

5.26 Execution of Documents. Any deed, deed of trust, bill of sale, lease agreement, security agreement, financing statement, contract of purchase or sale, partnership agreement or joint venture agreement, or other contract or instrument purporting to bind the Company or to

convey or encumber any of the assets of the Company in the ordinary course of business may be signed by the chief executive officer, president or any vice president and no other signature shall be required

ARTICLE 6

Transfers and Pledges of Membership Interests

6.1 Transfers of Membership Interests. The Member, in the Member's sole discretion, may transfer (whether by sale, gift or otherwise) all or any part of the Member's membership rights, including financial rights and/or governance rights, to any person at any time. The Member may make any such transfer under any terms and conditions, which the Member deems appropriate.

6.2 Pledges. The Member shall have exclusive and absolute discretion to pledge all or any part of the Member's membership rights to any person at any time as collateral for any debt of the Member. The Member may make any such pledge under any terms and conditions that the Member deems appropriate.

ARTICLE 7

Accounting and Tax

7.1 Books and Records. The Company shall maintain on a current basis accurate books of account.

7.2 Tax Characterization. It is the intention of the Member that the Company be disregarded for federal and all relevant state tax purposes and that the activities of the Company be deemed to be activities of the Member for such purposes. All provisions of the Company's Articles of Organization and this Agreement are to be construed so as to preserve that tax status under those circumstances.

7.3 Annual Accounting Period of Company. The Company's annual accounting period for financial purposes shall be the same as the Member's annual accounting period.

ARTICLE 8

Dissolution

8.1 Definition of Dissolution, Winding Up and Liquidation. For purposes of this Agreement:

- (a) Dissolution. The dissolution of the Company shall mean the cessation of its normal business activities and the beginning of the process of winding it up and liquidating it.
- (b) Winding Up. The winding up of the Company shall mean the process of concluding its existing business activities and internal affairs and preparing for its liquidation.
- (c) Liquidation. The liquidation of the Company shall mean the sale or other disposition of its assets and the distribution of its assets (or the distribution of the proceeds of the sale or other disposition of its assets) to its creditors and to the Member.

8.2 Dissolution of Company Subject to any restrictions set forth in the Articles of Organization, the Member may determine whether and when to dissolve the Company.

8.3 Winding Up and Liquidation of Company; Distribution of Company Assets Promptly after a determination is made to terminate the legal existence of the Company, the president shall wind up its business and internal affairs, shall liquidate it, and shall distribute its assets to the Company's creditors and the Member in accordance with the LLC Act.

Notwithstanding the foregoing, upon dissolution of the Company, the Member shall, after paying or making provision for payment of all of the liabilities of the Company, dispose of all of the assets of the Company by distributing those assets exclusively for the purposes of the Company, in such manner, or to such organizations organized and operated exclusively for public charitable uses and purposes as shall at the time qualify as exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, and as other than a private foundation under Section 509(a) of the Internal Revenue Code, as the Board of Managers shall determine. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction for the county in which the principal office of the Company is then located, exclusively for such purposes or to such organization or organizations as said court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE 9

Term and Termination

The term of this Agreement shall begin on the Effective Date and shall end upon the earlier of:

- (a) The date on which the Company ceases to exist under this Agreement or under other applicable law; and
- (b) The date on which the Member determines to terminate the Agreement.

ARTICLE 10

Miscellaneous Provisions

10.1 Amendments. No amendment of this Agreement shall be valid unless it is set forth in a writing signed by the Member.

10.2 Governing Law. This Agreement shall be governed exclusively by the laws of the State of Tennessee.

10.3 Captions. Captions in this Agreement are for convenience only and shall be deemed irrelevant in construing its provisions.

[signature page to follow]

IN WITNESS WHEREOF, this Operating Agreement of NOA Foundation, LLC, is executed by the sole member of the Company as of the date first written above.

NASHVILLE OPERA ASSOCIATION

By: 

Name: Paula Harrison

Title: Executive Director

ACTION BY WRITTEN CONSENT OF THE MEMBERS

OF

NOA FOUNDATION, LLC

December 14, 2007

The undersigned sole member of NOA Foundation, LLC (the "Company"), hereby take the following actions by unanimous written consent pursuant to Section 48-223-101 of the Tennessee Limited Liability Company Act, with such actions to have the same force and effect as if taken at a meeting duly called and constituted:

1 Ratification of Organizer's Actions and Resignation. To the adoption of the following resolutions:

RESOLVED, that the actions taken by the Organizer on behalf of the Company as evidenced by the Articles of Organization filed with the Secretary of State of Tennessee on December 10, 2007, are hereby approved and ratified on behalf of the Company in all respects, and

RESOLVED, that the resignation of John E. Gillmor as the Organizer of the Company is hereby accepted

2 Election of Managers. To the adoption of the following resolution:

RESOLVED, the following persons are hereby appointed to serve in the following manager positions for a period of one year, or until their successors are duly elected and qualified.

President/Chief Manager
Secretary
Treasurer

3 Approval of Operating Agreement. To the adoption of the following resolution:

RESOLVED, that the actions taken by the Members on behalf of the Company as evidenced by the Operating Agreement are hereby approved and ratified on behalf of the Company in all respects.

4. Adoption of Fiscal Year. To the adoption of the following resolution:

RESOLVED, that the fiscal year of the Company shall end on the 31st day of July each year.

5 Banking Resolution To the adoption of the following resolution:

RESOLVED, that the Company establish such banking arrangements as from time to time become necessary or desirable, including arrangements with respect to establishing and maintaining checking accounts and with respect to borrowing funds, and the signature of any manager of the Company on the form of certificate of resolution(s) customarily required by any such banking institution authorizing such arrangements shall constitute and be construed as a unanimous written consent to the adoption of such resolution(s) by the Members of the Company, and that the secretary of the Company is hereby authorized to certify to such resolution(s) so signed by all Members of the Company in such form as said banking institution may customarily require, and such resolution(s) so certified shall be deemed to be copied in the minute book as if set forth therein in full.

These actions are taken by unanimous written consent and are taken on, and are effective as of, the date first above written by consent of the undersigned parties.

NASHVILLE OPERA ASSOCIATION



NOA FOUNDATION, LLC
RESIGNATION OF ORGANIZER

December 14, 2007

To the Sole Member of
NOA Foundation, LLC

The undersigned, being the organizer of NOA Foundation, LLC, hereby resigns as organizer, such resignation to be effective upon its acceptance by the Members

John E. Gillmor, Organizer

LIMITED LIABILITY COMPANY OPERATING AGREEMENT
OF
NASHVILLE OPERA COMPANY, LLC

THIS OPERATING AGREEMENT (this "Agreement") is made by the undersigned sole Member of the Company as of December 14, 2007.

W I T N E S E T H

WHEREAS, the Member desires to form a limited liability company under and pursuant to the Tennessee Revised Limited Liability Company Act, as amended (the "Act") to conduct certain business as a limited liability company, and to set forth certain rights and obligations pertaining to the internal affairs of the Company and the conduct of its business.

NOW, THEREFORE, the Member sets forth the following

ARTICLE I

Definitions

1.1 Definitions. As used herein the following terms shall have the indicated meanings. Terms not otherwise defined herein shall have the meaning set forth in Act.

- (a) "*Act*" means the Tennessee Revised Limited Liability Company Act in effect on the date hereof and as may be hereafter amended.
- (b) "*Agreement*" means this Operating Agreement as may be hereafter amended.
- (c) "*Company*" means Nashville Opera Company, LLC, the limited liability company formed by the Member.
- (d) "*Executive Committee*" means the members of the Executive Committee of the Board of Directors of the Member serving from time to time.
- (e) "*Member*" means Nashville Opera Association, a Tennessee not-for-profit corporation recognized under §501(c) (3) of the Internal Revenue Code, which is the sole member of the Company.

ARTICLE 2

General

2.1 Effective Date of Agreement. The effective date of this Agreement (the "Effective Date") shall be the date first set forth above.

2.2 Adoption of Certificate: Resignation of Organizer The Articles of Organization as filed by John E. Gillmor, as organizer of the Company, that has been filed with the Secretary of State of Tennessee (the "Articles of Organization"), are hereby adopted by, and all actions taken in organizing the Company, including, but not limited to, the filing of such Articles of Organization, are in all respects ratified, confirmed, adopted, and approved. The resignation of John E. Gillmor, as organizer, is hereby accepted.

2.3 Company's Name and Registered Office. The name of the limited liability company is Nashville Opera Company, LLC (the "Company") The Company's registered agent and registered office shall be as set forth in the Articles.

2.4 Member The Company's sole member is Nashville Opera Association, a Tennessee not-for-profit corporation ("Member").

2.5 Principal Place of Business of Company The Company's principal place of business shall be at such place as may be designated by the Board of Directors from time to time

2.6 Director-Managed. As set forth in the Article of Organization of the Company, the Company is a Director-Managed LLC described in the Act.

2.7 Purpose: Non-profit Status The specific objectives and purposes of this Company are as follows

- (a) Produce professionally staged and sung operas for the enjoyment of regional audiences.
- (b) To inspire, identify, nurture and promote young singers.
- (c) To offer educational opportunities for the public in opera appreciation via lectures, audiovisuals, a reference library, and interviews.
- (d) To reach out into communities with opera productions targeted for students.
- (e) To offer intern opportunities in all phases of opera production.
- (f) To enhance the humanities courses of the many colleges and universities in the area by presenting a number of operas in native languages such as German, Italian and French.
- (g) To cooperate with other arts organizations such as the symphony, ballet and chorus for selected productions.
- (h) Sell tickets for its performances, engage in special events and other fund raising activities to support its mission.

Notwithstanding the foregoing, the Company shall operate in a manner consistent with the Charter of the Member, to wit:

The Company shall be organized and thereafter operated exclusively for public charitable uses and purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. The Company shall serve only such purposes and functions and shall engage only in activities as are consonant with the purposes herein stated and as are exclusively charitable and are entitled to charitable status under Section 501(c)(3) of the Internal Revenue Code.

No part of the net earnings of the Company shall inure to the benefit of, or be distributable to a private person (other than the Member); but the Company shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes as set forth in this Section 2.7.

No substantial part of the activities of the Company shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Company shall not participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office

Notwithstanding any other provisions of the Member's Charter or the Company's Articles of Organization, the Company shall not carry on any other activities not permitted to be carried on:

(i) By a company exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code and which is other than a private foundation within the meaning of Section 509(a) of the Internal Revenue Code, or

(ii) By a company, contributions to which are deductible for federal income tax purposes under Section 170(c)(2) of the Internal Revenue Code.

2.8 Limited Liability of Member. The Member shall not be personally obligated to any third party for any debt, obligation or liability of the Company solely by reason of being a member

2.9 Additional Members. Whether additional members shall be admitted as members of the Company shall be in the sole discretion of the Member.

2.10 Relation of Agreement to Articles of Organization. If there is any conflict between the provisions of this Agreement and those of the Articles of Organization, the provisions of the Articles of Organization shall prevail, including, without limitation, the provisions of the Articles of Organization that govern the Company's status as a single purpose entity and maintenance of itself as a separate legal entity.

ARTICLE 3 Capital Contributions

The Member has caused the formation of the Company and has borne the legal and other costs of so doing. Such actions by the Member shall be deemed to be a capital contribution to

the Company valued at \$1,000. The Member shall have no duty to make additional capital contributions to the Company

ARTICLE 4

Allocations and Distributions of Revenues in Excess of Expenses of the Company

Only the Member shall be entitled to allocations of any revenues of the Company in excess of expenses and other Company assets. No other person shall have any right to any such allocations or distributions. It shall be within the sole and exclusive discretion of the Member to decide whether to distribute cash and other assets to the Member.

ARTICLE 5

Company Management

Board of Directors

5.1 Management of the Company. The Company shall be managed solely by a Board of Directors comprised of the members of the Executive Committee of the Board of Directors of the Member serving from time to time.

5.2 Powers and Duties. Subject to the provisions of the laws of this state and the provisions of this Agreement, the activities and affairs of this Company shall be conducted and all corporate powers shall be exercised by or under the direction of the board

5.3 Duties. It shall be the duty of the Directors to:

- (a) Perform any and all duties imposed on them collectively or individually by law, by the Articles of Organization, or by this Agreement;
- (b) Supervise all officers, agents and employees of the Company to assure that their duties are performed properly;
- (c) Meet at such times and places as required by this Agreement;
- (d) Register their addresses with the Secretary of the Company, and notices of meeting mailed or telegraphed to them at such addresses shall be valid notices thereof.

5.4 Compensation. Directors shall serve without compensation. Directors may be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their duties, if approved in advance by the Executive Committee.

5.5 Place of Meetings. Meetings shall be held at the principal office of the Company unless otherwise provided by the Board of Directors or Executive Committee or at such other place as may be designated from time to time by resolution of the Board of Directors or Executive Committee.

5.6 Regular Meetings. Regular meetings of the Board shall be held at such times as the Board of Directors may specify at the principal office of the Company, or at such other time and place as may be specified in the notice of the meeting. In any event, the Board shall meet at least once each year.

5.7 Special Meetings. Special meetings of the board may be called by the President, the Vice-President, the Secretary, by any five directors, or, if different, by the persons specifically authorized under the laws of this state to call special meetings of the board. Such meetings shall be held at the principal office of the Company or, if different, at the place designated by the person or persons calling the special meeting.

5.8 Notice of Meetings. Unless otherwise provided by the Articles of Organization, this Agreement, or provisions of law, the following provisions shall govern the giving of notice for meeting of the board:

- (a) Time for and contents of notice. At least one week prior notice shall be given by the Secretary of the Company to each director of each regular and special meeting of the board. Such notice may be oral or written, may be given personally, by first class mail, by telephone, by e-mail, or by facsimile machine, and shall state the place, date and time of the meeting and the matters proposed to be acted upon at the meeting.
- (b) Waiver of Notice. Whenever any notice of a meeting is required to be given to any director of this Company under provisions of the Articles of Organization, this Agreement, or the law of this state, actual attendance at the meeting, or a waiver of notice in writing signed by the director, whether before or after the time of the meeting, shall be equivalent to the giving of such notice.

5.9 Quorum for Meetings. A quorum shall consist of one third of the Board of Directors. The members of the Board of Directors present at a meeting at which a quorum is present shall be deemed to be the only Directors entitled to vote on the matters before that particular meeting. Except as otherwise provided under the Articles of Organization, this Agreement, or provisions of law, no business shall be considered by the board at any meeting at which the required quorum is not present, and the only motion which the Chair shall entertain at such meeting is a motion to adjourn.

5.10 Majority Action as Board Action. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the board, unless the Articles of Organization, , this Agreement, or provisions of law require a greater percentage or different voting rules for approval of a matter by the board.

5.11 Conduct of Meetings. The President of the Member shall chair the meeting. In the absence of the President, the President Elect of the Member shall chair the meeting. In the absence of the President and President Elect, the Chair shall be chosen by a majority of the directors present and voting at the meeting. The Secretary of the Member or such other person as may be designated by the presiding officer shall act as secretary of all meetings of the board.

Meetings shall be governed by *Robert's Rules of Order Newly Revised 1990 Edition*, or by such other procedures as may be approved from time to time by the board, insofar as such rules are not inconsistent with or in conflict with the Articles of Organization, this Agreement, or with provisions of law.

5.12 Written Consent in Lieu of a Meeting. The Board of Directors shall have the power to take any action which could be taken at a meeting by a writing executed by a majority of the members of the Board of Directors.

5.13 Removal and Resignation of Directors Any director may resign effective upon giving written notice to the President, the Secretary, or the board, unless the notice specifies a later time for the effectiveness of such resignation.

Directors may be removed from office, with or without cause, by the Board of Directors of the Member as it changes the composition of Executive Committee from time to time.

5.14 Nonliability of Directors The directors shall not be personally liable for the debts, liabilities, or other obligations of the Company.

5.15 Indemnification by Company of Directors and Officers. The Company shall indemnify and advance expenses to each director of the Company, or any person who may have served at its request as a director of another entity, to the full extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted. The Company may indemnify and advance expenses to any employee or agent of the Company who is not a director to the same extent as to a director, if the board determines that to do so is in the best interest of the Company.

The indemnification and advancement of expenses provisions herein shall be in addition to any other right which any person may have or hereafter acquire under any statute, provision of the Article of Organization, provision of this Agreement, resolution adopted by the members, resolution adopted by the board, agreement, insurance purchased by or applicable to, the Company or otherwise, both as to action in his or her official capacity and as to action in another capacity

The Company may maintain insurance, at its expense to protect itself and any individual who is or was a director, officer, or employee or agent of the Company, is or was serving at its request as a director, officer, partner, trustee, employee or agent of another Company, partnership, joint venture, trust employee benefit plan or other enterprise against any expense, liability or loss whether or not the Company would have the power to indemnify such person against such expense, liability or loss under the Act, as it may be amended from time to time.

5.16 Insurance for Corporate Agents. Except as may be otherwise provided under provisions of law, the board may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the Company (including a director, officer, employee or other agent of the Company) against liabilities asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the Company would have the power to indemnify the agent against such liability under the Articles of Organization, this Agreement or provisions of law.

Officers

5.17 Designation of Officers and Agents. The officers of the Company shall the same persons as are officers from time to time of the Member, to wit: a President, President-elect, Vice President of Finance/Treasurer, and Secretary. In addition the Board may elect one or more Assistant Secretaries and Assistant Treasurers, or any one or more of such additional officers. Two (2) or more offices may be held by the same person, except that the President shall not hold office as Secretary or Assistant Secretary. In addition the Executive Director of the Member shall serve as the Chief Executive Officer of the Company.

5.18 Removal and Resignation Any officer may be removed, either with or without cause, by the board, at any time. Any officer may resign at any time by giving written notice to the board or to the President or Secretary of the Company. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Moreover, notwithstanding any other provision of this Agreement to the contrary, the Member acting through its Board of Directors shall have the power to remove any officer of the Company elected by the Board of Directors and to replace such person with a person designated by the Member. The above provisions of this Section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the board relating to the employment of any officer of the Company.

5.19 Vacancies. Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by the board. In the event of a vacancy in any office other than that of President, such vacancy may be filled temporarily by appointment by the President until such time as the board shall fill the vacancy. Vacancies occurring in offices of officers appointed at the discretion of the board may or may not be filled as the board shall determine

5.20 Duties of Officers.

- (a) Executive Director. The Executive Director of the Member shall serve as the Chief Executive Officer of the Company, and shall perform such duties as may be determined and designated by the board from time to time. The Executive Director shall be an ex-officio member of all committees.
- (b) Duties of President The President shall shall perform such duties as may be determined and designated by the board from time to time, and, shall preside at all meetings of the board. The President is an ex-officio member of all committees.
- (c) Duties of the President-elect. In the absence of the President, the President-elect shall preside and chair meetings of the board, and shall assist the President in the active management of the affairs of the Company.
- (d) Duties of Vice President Finance/Treasurer. The Vice President of Finance/Treasurer shall oversee custody of the corporate funds and securities in such depositories as may be designated by the board or the Executive Committee and shall supervise the keeping of full and accurate accounts of receipts and disbursements in books belonging to the Company. He or she shall assist the President in the active management of the affairs of the Company.
- (e) Duties of Assistant Treasurers. The assistant treasurers, shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer, and shall perform such other duties as the board shall prescribe.
- (f) Duties of the Secretary. The Secretary shall attend all sessions of the board, and shall cause all notes and minutes of proceedings to be recorded in a book kept for that purpose, and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the board and shall perform such other duties as may be prescribed by the

President. He or she shall attest by his or her signature the execution of any documents or instruments requiring such attestation.

- (g) Duties of Assistant Secretaries. The assistant secretaries, shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary, and shall perform such other duties as the board shall prescribe.
- (h) Duties of the Executive Director. The Executive Director of the Member shall be the Chief Executive Officer of the Company, subject to the direction of the board. The Executive Director shall have charge of artistic and administrative matters pertaining to the Company's productions and assist in the solicitation of funds therefor. The Executive Director shall be responsible for all revenues received and disbursed by the Company. In the discharge of the Executive Director's duties, the Executive Director may delegate authority to subordinate officers, but shall be responsible for their actions.

The Executive Director shall present to the board at its Annual Meeting a written report for the year ending on July 31st, next preceding, and at all regular meetings of the board shall report on the condition of the Company.

5.21 Execution of Documents. Any deed, deed of trust, bill of sale, lease agreement, security agreement, financing statement, contract of purchase or sale, partnership agreement or joint venture agreement, or other contract or instrument purporting to bind the Company or to convey or encumber any of the assets of the Company in the ordinary course of business may be signed by the chief executive officer, president or any vice president and no other signature shall be required.

Member

5.22 Approval of Certain Matters. The Member reserves the right to approve the Company's annual budget and identity of operas proposed to be produced by the Company. The Board of the Company shall report to the bi-monthly meetings of the Board of Directors of the Member and shall submit the budget and proposed slate of operas to be produced on a timely basis.

ARTICLE 6

Transfers and Pledges of Membership Interests

6.1 Transfers of Membership Interests. The Member, in the Member's sole discretion, may transfer (whether by sale, gift or otherwise) all or any part of the Member's membership rights, including financial rights and/or governance rights, to any person at any time. The Member may make any such transfer under any terms and conditions, which the Member deems appropriate.

6.2 Pledges. The Member shall have exclusive and absolute discretion to pledge all or any part of the Member's membership rights to any person at any time as collateral for any debt of the Member. The Member may make any such pledge under any terms and conditions that the Member deems appropriate.

ARTICLE 7 Accounting and Tax

7.1 Books and Records. The Company shall maintain on a current basis accurate books of account.

7.2 Tax Characterization. It is the intention of the Member that the Company be disregarded for federal and all relevant state tax purposes and that the activities of the Company be deemed to be activities of the Member for such purposes. All provisions of the Company's Articles of Organization and this Agreement are to be construed so as to preserve that tax status under those circumstances.

7.3 Annual Accounting Period of Company. The Company's annual accounting period for financial purposes shall be the same as the Member's annual accounting period.

ARTICLE 8 Dissolution

8.1 Definition of Dissolution, Winding Up and Liquidation. For purposes of this Agreement.

- (a) Dissolution. The dissolution of the Company shall mean the cessation of its normal business activities and the beginning of the process of winding it up and liquidating it.
- (b) Winding Up. The winding up of the Company shall mean the process of concluding its existing business activities and internal affairs and preparing for its liquidation.
- (c) Liquidation. The liquidation of the Company shall mean the sale or other disposition of its assets and the distribution of its assets (or the distribution of the proceeds of the sale or other disposition of its assets) to its creditors and to the Member.

8.2 Dissolution of Company. Subject to any restrictions set forth in the Articles of Organization, the Member may determine whether and when to dissolve the Company.

8.3 Winding Up and Liquidation of Company; Distribution of Company Assets. Promptly after a determination is made to terminate the legal existence of the Company, the president shall wind up its business and internal affairs, shall liquidate it, and shall distribute its assets to the Company's creditors and the Member in accordance with the LLC Act.

Notwithstanding the foregoing, upon dissolution of the Company, the Member shall, after paying or making provision for payment of all of the liabilities of the Company, dispose of all of the assets of the Company by distributing those assets exclusively for the purposes of the Company, in such manner, or to such organizations organized and operated exclusively for public charitable uses and purposes as shall at the time qualify as exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, and as other than a private foundation under Section 509(a) of the Internal Revenue Code, as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction for the

county in which the principal office of the Company is then located, exclusively for such purposes or to such organization or organizations as said court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE 9
Term and Termination

The term of this Agreement shall begin on the Effective Date and shall end upon the earlier of

- (a) The date on which the Company ceases to exist under this Agreement or under other applicable law; and
- (b) The date on which the Member determines to terminate the Agreement.

ARTICLE 10
Miscellaneous Provisions

10.1 Amendments No amendment of this Agreement shall be valid unless it is set forth in a writing signed by the Member.

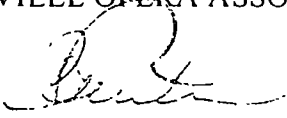
10.2 Governing Law. This Agreement shall be governed exclusively by the laws of the State of Tennessee.

10.3 Captions Captions in this Agreement are for convenience only and shall be deemed irrelevant in construing its provisions.

[signature page to follow]

IN WITNESS WHEREOF, this Operating Agreement of Nashville Opera Company, LLC, is executed by the sole member of the Company as of the date first written above.

NASHVILLE OPERA ASSOCIATION

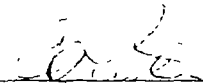
By: 
Name: David Pomeroy
Title: Executive Director

5 Banking Resolution To the adoption of the following resolution

RESOLVED, that the Company establish such banking arrangements as from time to time become necessary or desirable, including arrangements with respect to establishing and maintaining checking accounts and with respect to borrowing funds, and the signature of any manager of the Company on the form of certificate of resolution(s) customarily required by any such banking institution authorizing such arrangements shall constitute and be construed as a unanimous written consent to the adoption of such resolution(s) by the Members of the Company, and that the secretary of the Company is hereby authorized to certify to such resolution(s) so signed by all Members of the Company in such form as said banking institution may customarily require, and such resolution(s) so certified shall be deemed to be copied in the minute book as if set forth therein in full

These actions are taken by unanimous written consent and are taken on, and are effective as of, the date first above written by consent of the undersigned parties.

NASHVILLE OPERA ASSOCIATION



NASHVILLE OPERA COMPANY, LLC

RESIGNATION OF ORGANIZER

December 14, 2007

To the Sole Member of
Nashville Opera Company, LLC

The undersigned, being the organizer of Nashville Opera Company, LLC, hereby resigns as organizer, such resignation to be effective upon its acceptance by the Members

John E. Gillmor, Organizer

**NASHVILLE OPERA ASSOCIATION
TO
NASHVILLE OPERA COMPANY, LLC**

ASSIGNMENT

ASSIGNMENT dated as of 12:01am January 1, 2008, from Nashville Opera Association, a Tennessee corporation ("NOA"), to Nashville Opera Company, LLC, a Tennessee limited liability company ("NOC") of which NOA is the sole member

RECITAL:

Prior to the date hereof, NOA caused the formation of NOC as part of a reorganization of NOA. NOC's mission will be to produce operas, conduct outreach programs etc., in general carrying on the operations previously carried on by NOA. To enable NOC to carry out its mission, NOA hereby transfers and assigns to, and vests in, NOC, its successors and assigns forever, all of NOA's right, title and interest, legal or equitable, in and to the following assets (the "Assets")

- (a) All of NOA's right title and interest in all furniture, fixtures, equipment, sets, costumes and any other tangible assets owned by NOA, not including NOA's interest in the Redmon Street property otherwise known as the Noah Liff Opera Center,
- (b) All of NOA's rights, benefits and interests under all contracts and agreements except those contracts and pledges relating to endowment or capital contributions;
- (c) The right to hire and employ all of NOA's current employees as of the date hereof;
- (d) All accounts receivable except those related to pledges of endowment and capital contributions; and
- (e) All inventories and prepaid expenses

1. **TO HAVE AND TO HOLD**, all of the foregoing Assets, unto NOC, its successors and assigns forever.

2. Nothing in this instrument, express or implied is intended or shall be construed to confer upon, or give to, any person, firm or corporation other than NOC and its successors and assigns, any remedy or claim under or by reason of this instrument or any term covenant or condition hereof, and all the terms, covenants and conditions, promises and agreements in this instrument contained shall be for the sole and exclusive benefit of NOC and its successors and assigns.

ACTION BY WRITTEN CONSENT OF THE MEMBERS

OF

NASHVILLE OPERA COMPANY, LLC

December 14, 2007

The undersigned sole member of Nashville Opera Company, LLC (the "Company"), hereby take the following actions by unanimous written consent pursuant to Section 48-223-101 of the Tennessee Limited Liability Company Act, with such actions to have the same force and effect as if taken at a meeting duly called and constituted:

1. Ratification of Organizer's Actions and Resignation. To the adoption of the following resolutions

RESOLVED, that the actions taken by the Organizer on behalf of the Company as evidenced by the Articles of Organization filed with the Secretary of State of Tennessee on December 11, 2007, are hereby approved and ratified on behalf of the Company in all respects; and

RESOLVED, that the resignation of John E. Gillmor as the Organizer of the Company is hereby accepted

2. Election of Managers. To the adoption of the following resolution:

RESOLVED, the following persons are hereby appointed to serve in the following manager positions for a period of one year, or until their successors are duly elected and qualified

Joe Barker	President
Paula Roberts	Secretary
Jon Weaver	Vice President of Finance/ Treasurer
Elizabeth Papel	President Elect

3. Approval of Operating Agreement To the adoption of the following resolution:

RESOLVED, that the actions taken by the Members on behalf of the Company as evidenced by the Operating Agreement are hereby approved and ratified on behalf of the Company in all respects.

4. Adoption of Fiscal Year To the adoption of the following resolution:

RESOLVED, that the fiscal year of the Company shall end on the 31st day of July each year.

3. This instrument is executed by, and shall be binding upon NOA, its successors and assigns, for the uses and purposes above set forth and referred to, effective immediately upon its delivery to NOC irrespective of the date of its execution

NOA has caused this ASSIGNMENT to be signed by a duly authorized officer.

Nashville Opera Association

Attest:



By _____

Name: Carol Benterman

Title: Executive Director

Name: _____

Title _____

Nashville Opera Company, LLC hereby accepts the above Assignment and undertakes to discharge all obligations of Nashville Opera Association under the contracts assigned thereby.

Nashville Opera Company, LLC



By _____

Name: Carol Benterman

Title: Executive Director