

EXHIBIT A

Project Site

(attached)

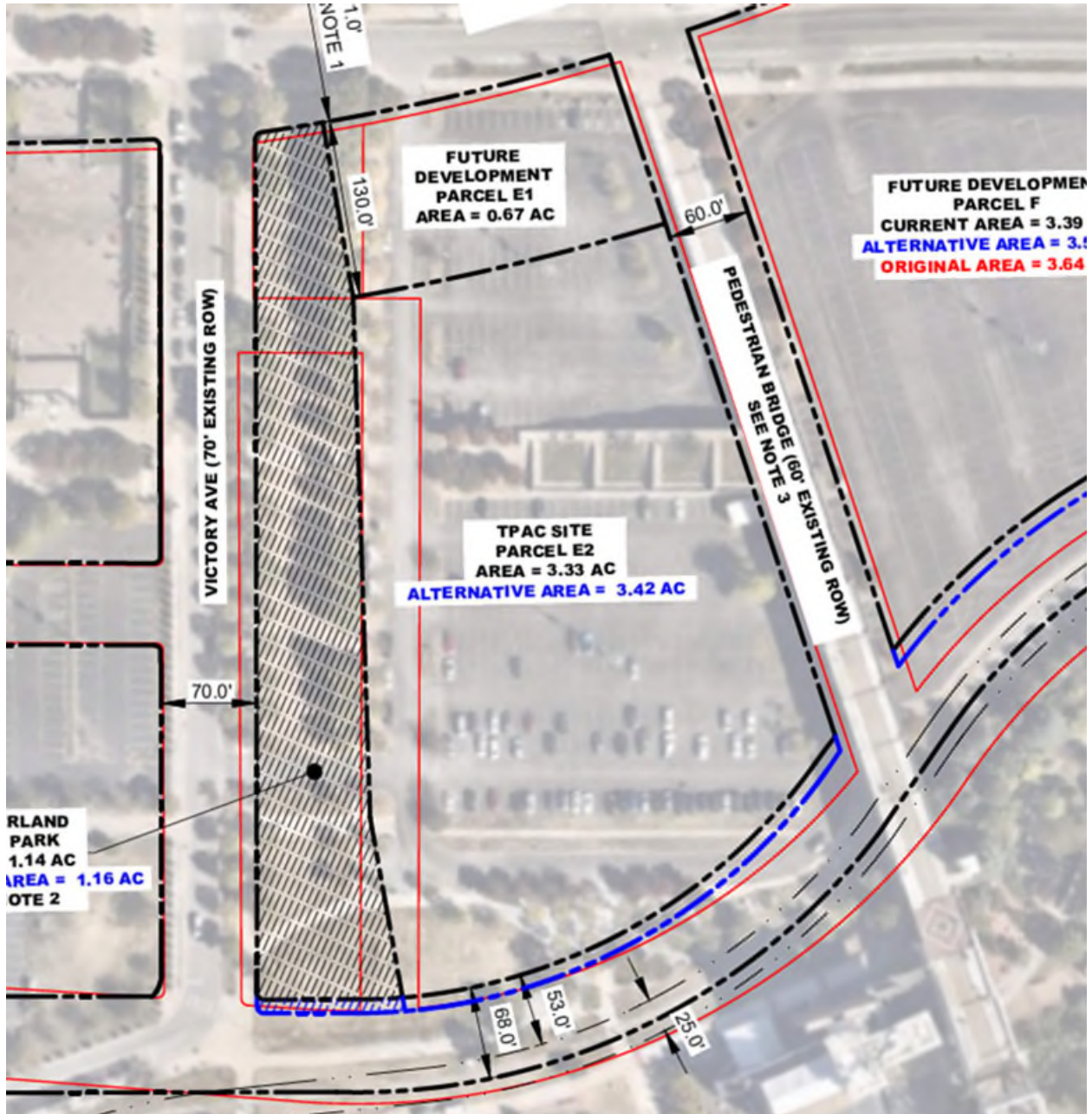
EXHIBIT B

Memorandum of Understanding

(attached)

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EXHIBIT A



**METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
TENNESSEE PERFORMING ARTS CENTER MANAGEMENT CORPORATION**

MEMORANDUM OF UNDERSTANDING

February 23, 2024

This Memorandum of Understanding describes the proposed development of a multi-use performance space for the Tennessee Performing Arts Center Management Corporation (“TPAC”), to replace TPAC’s current facility in the James K. Polk Building. The cultural space will be constructed by TPAC on East Bank property owned by The Metropolitan Government of Nashville and Davidson County (the “Metropolitan Government”). The land will be leased by the Metropolitan Government to TPAC for the purpose of developing and operating the cultural space. This Memorandum of Understanding is subject to the negotiation of a development agreement, a ground lease, and the other agreements described herein (the “Definitive Agreements”). Once prepared, the Definitive Agreements must be approved by the Metropolitan Council.

1. **Overview of Ground Lease and Development Agreement.** The Metropolitan Government and TPAC will enter into a lease agreement (the “Lease Agreement”) pursuant to which the Metropolitan Government will lease to TPAC the approximately 3.33-acre parcel of East Bank property depicted on Exhibit 1 (the “Project Site”). The Lease Agreement will allow TPAC to construct the cultural center and, once constructed, operate the cultural center on the terms set forth below. The Metropolitan Government and TPAC will enter into a development agreement (the “Development Agreement”) that obligates TPAC to design and construct the cultural center and related improvements on and around the Project Site.
2. **Development Agreement – Project Design and Construction:**
 - a. The Development Agreement will require TPAC to design and construct the following improvements (collectively, the “Project”):
 - i. a multi-use community, performance and education space having the design features described in Exhibit 2 (the “Performing Arts Center” or “PAC”);
 - ii. Project Site preparation costs, including (A) storm water management improvements consistent with an area-wide storm water management plan, and (B) a plaza on the northern portion of the Project Site that provides public access to and from the riverfront as part of the “Cumberland Walk” in accordance with the attached Exhibit 1;
 - iii. the extension of the John Seigenthaler Pedestrian Bridge (the “Pedestrian Bridge”), as depicted on Exhibit 1 (the “TPAC Pedestrian Bridge Improvements”), in a manner (A) that may be incorporated with the PAC but which are structurally independent of the PAC such that, if necessary, the PAC could be removed without interfering with the operation of the Pedestrian Bridge, and (B) that include areas that can be activated for retail, cultural and other PAC-related uses while preserving continuous pedestrian access and bicycle access that does not require riders to dismount;

- iv. if necessary, temporary improvements to the Pedestrian Bridge to allow for continuous pedestrian and bicycle access between the East Bank and downtown that does not require riders to dismount;
 - v. street improvements along Waterside Drive and Victory Way, as depicted on Exhibit 1, built to customary Metropolitan Government standards (including utilities); and
 - vi. any off-site utilities necessary for the operation of the PAC, if not otherwise being constructed and installed by or on behalf of either (A) Tennessee Stadium, LLC (“StadCo”) in connection with the development of the new Nissan Stadium pursuant to the August 25, 2023 Development and Funding Agreement between StadCo and the Metropolitan Government’s Sports Authority, or (B) TFC Nashville Development LLC (“Fallon”), in connection with the development of a portion of Metropolitan Government-owned East Bank land pursuant to a development agreement between the Metropolitan Government and Fallon. TPAC will cooperate with the Metropolitan Government to understand the full nature of the offsite improvements needed to support the operation of the Project and agrees to reasonably participate in the funding of said off-site utilities.
- b. The Development Agreement will contemplate that (i) the portion of the East Bank Boulevard depicted on Exhibit 1 will be designed and constructed by or on behalf of the Metropolitan Government, and not by TPAC; and (ii) the Metropolitan Government will take the necessary steps to ensure that the construction of the East Bank Boulevard will not unreasonably impair public access to the PAC.
 - c. TPAC will be responsible for contracting with and directing the architects, construction managers, and other professionals in the design and construction of the Project. The Metropolitan Government anticipates that the property will be rezoned under the expansion of the Downtown Code. As such, the Planning Commission will review and approve the Project consistent with the requirements of the Downtown Code. The architect and the construction manager shall be firms with significant experience in the design and construction of facilities such as the PAC.
 - d. The Metropolitan Government will have the right to monitor Project construction to ensure compliance with approved plans and specifications and all other applicable requirements. TPAC agrees to provide the Metropolitan Government with reasonable access to the construction site and construction reports until construction of the PAC is complete.
 - e. TPAC recognizes the significance large construction projects can have to develop purchasing policies and programs that confront and overcome limitations to equity, diversity, and inclusion. It is the policy of TPAC to promote full and equal business opportunities for all persons participating in the construction of the PAC through the purchase of goods and services from minority and women owned businesses within the area of the Metropolitan Government. In keeping with this policy, TPAC will endeavor to achieve a 25% minority and women-owned business participation goal.

- f. The Project Site will be developed in a manner that enables the future development of adjacent Parcels E-1 and F, as depicted in Exhibit 1. This includes, without limitation, enabling underground foundation work on the adjoining Parcels up to the property lines.

3. Development Agreement – Funding:

- a. The Development Agreement will obligate TPAC to fund all costs of the Project (the “Project Costs”), whether Budgeted Costs, as defined below, or cost overruns.
- b. The Development Agreement will require TPAC to enter into a guaranteed maximum price or stipulated sum construction contract for the Project (the “Construction Contract”), and to determine a resulting budget for the design, development, and construction of the Project (the “Budgeted Cost”).
- c. The Development Agreement will not permit TPAC to commence construction of the Project until TPAC provides sufficient evidence of its ability to pay the Budgeted Costs and any cost overruns above the Budgeted Cost, as more fully described in Section 4 below.
- d. TPAC will fund the Project Costs from a variety of sources, as determined by TPAC, which may include, but are not limited to:
 - i. Grant funding from the State of Tennessee (the “State”) in a total amount not less than \$500 million (the “State Contribution”);
 - ii. Funding or pledges (in a form satisfactory to the Metropolitan Government) from donors of not less than \$100 million (the “Donor Contributions”); and
 - iii. Private construction financing from one or more financial institutions, which is not subject to any funding contingency not included in commercially reasonable construction financing documents (the “Private Financing”).

4. Development Agreement – Termination for Failure to Achieve Key Milestones:

- a. The Metropolitan Government may terminate the Definitive Agreements on September 30, 2025 unless each of the following have occurred:
 - i. The State has approved the entirety of the State Contribution;
 - ii. TPAC has secured the Donor Contributions;
 - iii. TPAC has delivered a concept design for the PAC that has been approved by the Metropolitan Government’s Planning Department; and
 - iv. TPAC has delivered the Metropolitan Government with a preliminary budget for the total costs of the Project described in Section 2(a); and
 - v. TPAC has delivered a commitment for Private Financing in an amount sufficient to fully fund the preliminary budget for the costs of the Project, net of the State Contribution and the Donor Contributions.

- b. The Metropolitan Government may terminate the Definitive Agreements on September 30, 2027 if TPAC has not begun construction of the Project, such date being subject to extension for force majeure, delays in the installation of utility infrastructure by StadCo or Fallon in the manner contemplated by Section 2(a)(vi), and delays unreasonably caused by the Metropolitan Government. TPAC may not begin construction of the Project:
 - i. Until the Metropolitan Government shall have approved the final design for the PAC in the manner prescribed by Planning Commission regulations, to ensure the consistency of the final design with the concept design; and
 - ii. Until TPAC has provided evidence reasonably satisfactory to the Metropolitan Government that the State Contribution, the Donor Contributions and the Private Financing are sufficient to fully fund the final Budgeted Cost.
- c. The Metropolitan Government will have no liability to TPAC upon termination of the Definitive Agreements for failure to meet the conditions described in subsections (a) or (b).

5. Ground Lease:

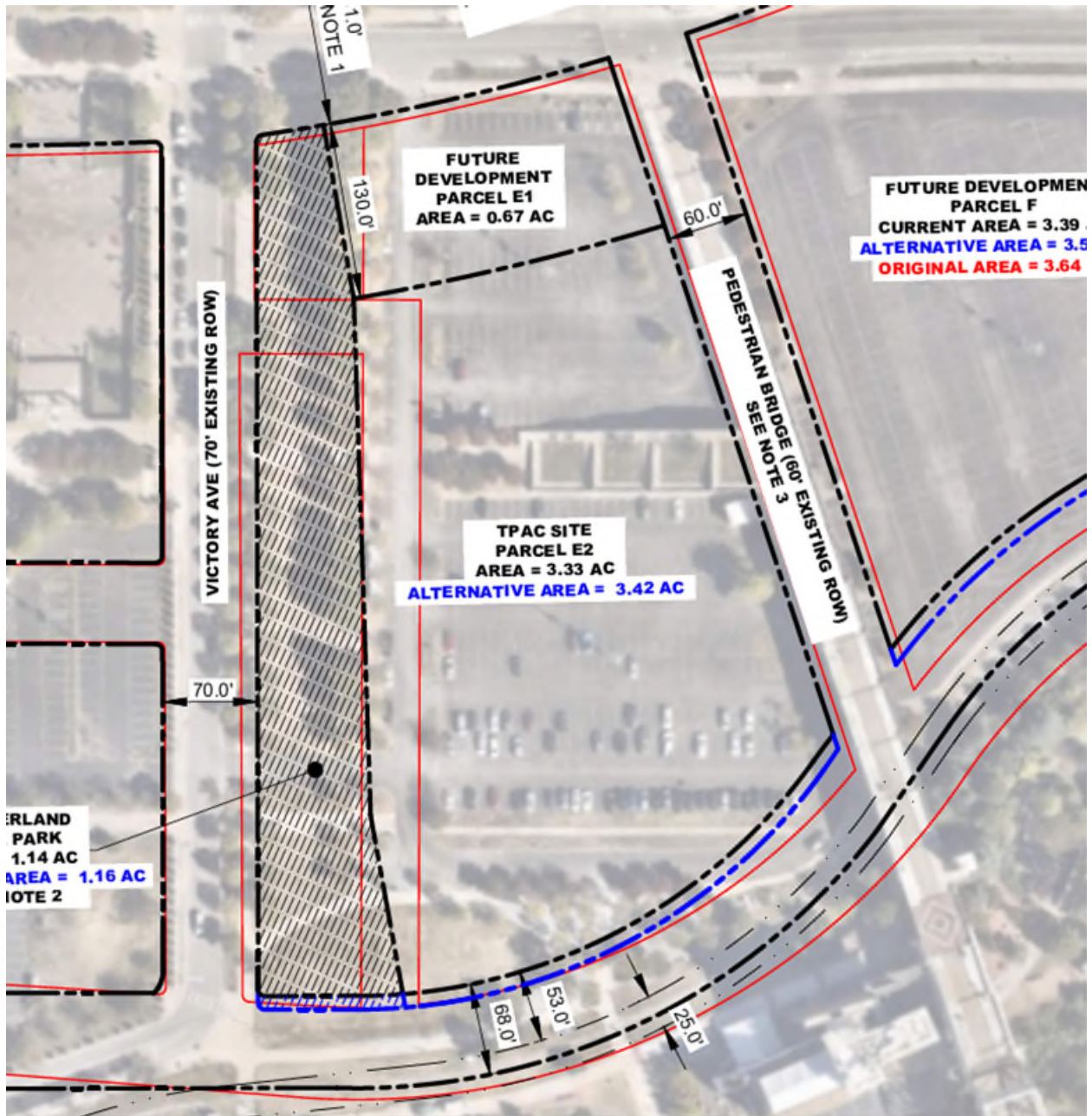
- a. The Lease Agreement will have an initial term of 35 years, with two 30-year renewal terms exercisable by TPAC at its option. During the initial 35-year term, TPAC will pay \$100 per year in rent. Rent will be recalculated at the beginning of each 30-year extension period to 25% of the then market value, with appropriate future annual escalations.
- b. TPAC agrees to use the PAC as its primary performance venue. In addition, TPAC will manage the use of the PAC by various performance companies.
- c. TPAC shall be entitled to retain all revenues relating to the operations of the PAC and the Project Site, including advertising rights.
- d. TPAC will be responsible for both the operating and capital costs of maintaining the PAC and the Project Site in a condition consistent with other first-class performing arts facilities.
- e. TPAC will be responsible for paying for all utilities for the PAC.
- f. TPAC will maintain industry-standard insurance coverage for the PAC.
- g. The Lease Agreement will entitle the Metropolitan Government to use the PAC for up to three civic-oriented events each year. The Metropolitan Government will be required to reimburse TPAC for any incremental operating expenses incurred as a result of the civic-oriented events.
- h. TPAC will use commercially reasonable efforts to use local vendors, goods and labor in the operation of the PAC, subject to competitive pricing and other financial considerations, quality of service and quality of products.

6. **Other Agreements:**

- a. TPAC will be required to enter into construction coordination and campus operations agreements with the Metropolitan Government, StadCo and Fallon in the manner contemplated by the Site Coordination Agreement by and among the Metropolitan Government, the Metropolitan Government's Sports Authority and StadCo, to ensure the cooperative development and operation of the PAC with the other tenants and users of Metro-owned land on the East Bank.
 - b. TPAC will be required to enter into agreements related to the use and operation of TPAC Pedestrian Bridge Improvements that require TPAC to (i) contribute financially toward to the operating and capital maintenance expenses of the TPAC Pedestrian Bridge Improvements, in proportion to TPAC's use thereof, and (ii) activate the portion of the TPAC Pedestrian Bridge Improvements adjacent to the PAC.
 - c. TPAC will be solely responsible for securing parking for PAC events. The Metropolitan Government and TPAC will work in good faith to negotiate an agreement under which the Metropolitan Government will reserve spaces for patrons of PAC events, at market parking rates, within any Metro-controlled East Bank parking facilities.
 - d. TPAC and the Metropolitan Government will work together to identify opportunities for TPAC to provide cultural and other programming by activating public areas in East Bank neighborhoods from time to time.
7. **Non-Binding Memorandum of Understanding:** This Memorandum of Understanding is not a binding commitment, obligation, or undertaking of the Metropolitan Government or TPAC, and is delivered solely for the purpose of facilitating ongoing discussions of various terms and conditions under consideration for the proposed transaction, in order to allow the Project design to move forward. If either party expends funds on the Project in connection with this Memorandum of Understanding, the expenditure of any such funds should be at the sole risk of the party incurring same, in recognition of the fact that this Memorandum of Understanding is non-binding.

EXHIBIT 1

PROJECT SITE AND DESCRIPTION OF PROJECT IMPROVEMENTS



TPAC Site Plan – Permanent Pedestrian Bridge Improvement

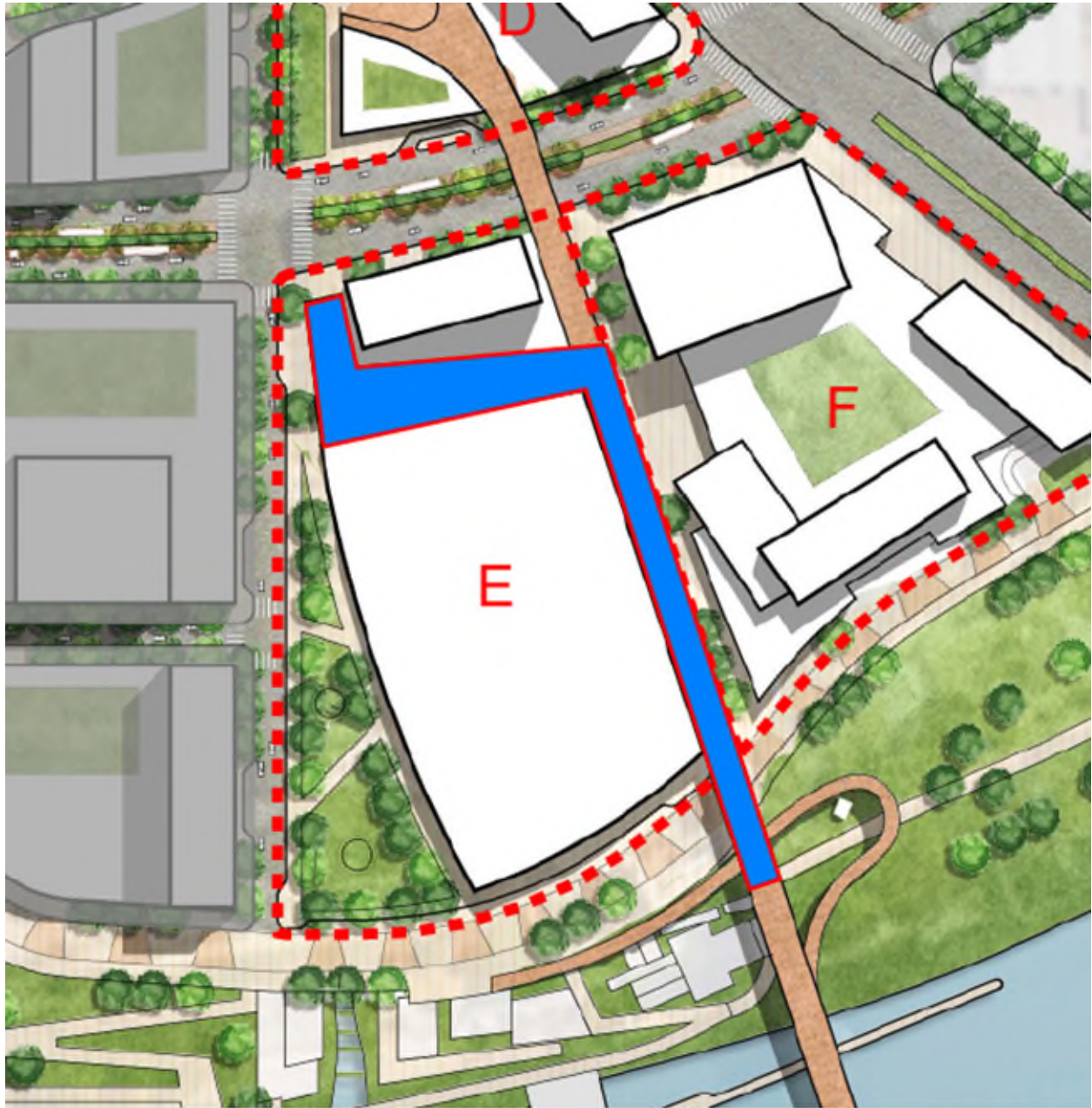


EXHIBIT 2

PERFORMING ARTS CENTER DESIGN

The new TPAC Project will serve as the administrative and performance home for TPAC. The facility will include a 2,600-seat multi-purpose theater, a 1,200-seat dance and opera hall, and a 500-seat flexible venue. In addition, the facility will house the administrative offices for TPAC plus four rehearsal studios that will function as rehearsal space, education and classroom space, and community event space. The TPAC Project will include one or more exterior plazas and publicly accessible places.

Known as the home of national touring Broadway productions in Nashville, TPAC offers a series of presentations for Broadway, dance, theater, and family programming, and is the home of three resident performance companies: Nashville Ballet, Nashville Opera, and Nashville Repertory Theatre.