

**INTERGOVERNMENTAL PROJECT AGREEMENT
(SPEEDWAY PROJECT)**

This Agreement is made and entered into as of [_____, 2023], by and between The Metropolitan Government of Nashville and Davidson County (the “Metropolitan Government”) and The Sports Authority of The Metropolitan Government of Nashville and Davidson County (the “Authority”).

WITNESSETH:

WHEREAS, Section 11.602 of the Charter of the Metropolitan Government established the Metropolitan Board of Fair Commissioners (the “Fair Board”) to operate the Nashville Fairgrounds located at 300 Rains Avenue, Nashville, Tennessee (the “Fairgrounds”), on behalf of the Metropolitan Government; and

WHEREAS, the Fair Board operates the existing Nashville Fairgrounds Speedway (the “Existing Speedway”) on a portion of the Fairgrounds (the “Speedway Site”); and

WHEREAS, the Metropolitan County Council of the Metropolitan Government (the “Metropolitan Council”) has determined to encourage and foster economic development and prosperity for the Metropolitan Government through the demolition of the Existing Speedway and the design and construction of a new speedway with a new motorsport racetrack, infield, grandstands, buildings, parking areas and all related amenities, signage, fixtures and other necessary and customary items (the “Speedway Facility”); and

WHEREAS, pursuant to that certain Speedway Development Agreement dated [_____, 2023] (as the same may be hereafter amended, restated or supplemented, the “Development Agreement”) between the Metropolitan Government, by and through the Fair Board, and Bristol Motor Speedway, LLC (the “Operator”), the Operator has agreed to provide development and construction management services in connection with the demolition of the Existing Speedway and the construction of the Speedway Facility; and

WHEREAS, pursuant to Chapter 67, Title 7 of the Tennessee Code Annotated (the “Act”), the Metropolitan Council has created the Authority for the purpose of exercising all powers granted to a sports authority by the Act, including, without limitation, the financing and construction of the Speedway Facility; and

WHEREAS, pursuant to that certain Master Lease dated [_____, 2023] (as the same may be hereafter amended, restated or supplemented, the “Master Lease”) between the Metropolitan Government, by and through the Fair Board, and the Authority, the Metropolitan Government has leased the Speedway Site to the Authority, and the Authority has agreed to make a one-time rental payment to the Metropolitan Government from the proceeds of the herein described Bonds in order to facilitate the financing of the demolition of the Existing Speedway and the design, construction, installation, equipping and furnishing of the Speedway Facility and all improvements appurtenant thereto or comprising a part of any of the same (collectively, the “Speedway Project”); and

WHEREAS, pursuant to that certain Master Sublease dated [_____, 2023] (as the same may be hereafter amended, restated or supplemented, the “Master Sublease”) between the Authority and the Metropolitan Government, by and through the Fair Board, the Authority has leased the Speedway Site back to the Metropolitan Government, and the Metropolitan Government, by and through the Fair Board,

has agreed to make lease payments to the Authority (the “Fair Board Lease Payments”) from the payments the Fair Board receives under the Bristol Lease (as defined below); and

WHEREAS, pursuant to that certain Speedway Lease Agreement dated [_____, 2023] (as the same may be hereafter amended, restated or supplemented, the “Bristol Lease”) between Metropolitan Government, by and through the Fair Board and the Operator, the Metropolitan Government, by and through the Fair Board, has leased the Speedway Site to the Operator and the Operator has agreed to operate the Speedway Facility in accordance with the Bristol Lease and to make payments to the Fair Board in connection with the use of the Speedway Facility (“Bristol Rent”); and

WHEREAS, the Metropolitan Council and the Fair Board now desire to facilitate the Authority's financing of the Speedway Project; and

WHEREAS, pursuant to the Act, the Metropolitan Council is authorized to aid or otherwise provide assistance to the Authority, for such term or terms and upon such conditions as may be determined by resolution or ordinance of the Metropolitan Council, by granting, contributing or pledging revenues of the Metropolitan Government to or for the benefit of the Authority; and

WHEREAS, the Authority has, by resolution of its Board of Directors adopted on [_____] (the “Authority Resolution”), authorized the issuance of its \$_____ Federally Taxable Revenue Bonds (the “Bonds”) for the following purposes: (i) to make a single rent payment to the Fair Board pursuant to the Master Lease to acquire the Authority’s leasehold rights thereunder, which such rent payment shall be used by the Fair Board to pay the costs of the Speedway Project and to pay or reimburse architectural, engineering, legal and consulting costs incident thereto; (ii) to fund a debt service reserve fund for the Bonds; (iii) to pay capitalized interest on the Bonds; and (iv) to pay costs of the issuance and sale of the Bonds (collectively, the “Permitted Uses”); and

WHEREAS, the Bonds will be issued pursuant to the authority of Tennessee Code Annotated Sections 7-67-101 *et seq.* and 9-21-101 *et seq.* and the terms of that certain Indenture of Trust, dated as of [_____, 2023] (the “Indenture”) by and between the Authority and Regions Bank, as trustee (the “Trustee”); and

WHEREAS, at the time the Speedway Facility begins operations, pursuant to Tennessee Code Annotated Sections 67-6-103(d)(1)(A)(vii) and 67-6-712(c)(1)(E), there shall be apportioned and distributed to the Metropolitan Government an amount equal to certain state and local tax revenue derived from the sale of admissions to events at the Speedway Facility and also the sale of food and drink sold at the Speedway Facility in conjunction with those events, parking charges at the Speedway Facility, and other sales at the Speedway Facility (the “Sales Tax Revenues”); and

WHEREAS, to fulfill the purposes of the statutes and ordinances providing for the collection of the Sales Tax Revenues, and to facilitate the construction and operation of the Speedway Facility and the issuance of the Bonds, the Metropolitan Government wishes to make the Sales Tax Revenues available to the Authority to pay debt service on the Bonds; and

WHEREAS, to enhance the marketability of the Bonds and thereby reduce the interest costs thereon, the Metropolitan Government wishes to make Non-Tax Revenues (as defined and described herein) available to the Authority for the payment of debt service on the Bonds to the extent the Pledged Payments securing the Bonds are insufficient therefor; and

WHEREAS, the Fair Board will make the Fair Board Lease Payments to the Authority under the Master Sublease from the Bristol Rent it receives from the Operator under the Bristol Lease, and the Fair

Board desires to assign the Bristol Rent to the Authority (subject to certain rights as described herein) to provide for the security and repayment of the Bonds; and

WHEREAS, it is deemed necessary and desirable by the Metropolitan Council and the Board of Directors of the Authority that the parties enter into an agreement addressing the funding of the Speedway Project, the payment of the costs thereof and costs related thereto, the disposition and administration of the funds needed to pay principal of and interest on the Bonds, and other agreements and rights of the parties related thereto;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged, the parties agree as follows:

1. Covenants and Agreements of the Metropolitan Government. The Metropolitan Government covenants and agrees as follows:

(a) The Metropolitan Government agrees to remit all of the Sales Tax Revenues to the Authority on a monthly basis until the Bonds have been paid in full.

(b) If the Sales Tax Revenues and Fair Board Lease Payments securing the Bonds, and any other available monies in funds of the Indenture, are insufficient to pay debt service when due on the Bonds or any other bonds issued pursuant to the Indenture on parity therewith, the Metropolitan Government hereby pledges and agrees to transfer to the Trustee an amount of Non-Tax Revenues at such time or times necessary to cure such insufficiency, all in accordance with the terms of the Indenture. The foregoing pledge of Non-Tax Revenues by the Metropolitan Government is subject and subordinate to the prior pledge of Non-Tax Revenues in favor of debt obligations heretofore issued and/or incurred by the Authority or The Convention Center Authority of The Metropolitan Government of Nashville and Davidson County (the "Convention Center Authority").

(c) As used herein, the term "Non-Tax Revenues" shall mean all income and revenues of the Metropolitan Government which according to generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and normal and customary accounting practices of the Metropolitan Government are deposited to and become assets of the General Services District General Fund of the Metropolitan Government, derived from any source other than income and revenues derived from the exercise by the Metropolitan Government of its powers to levy and collect taxes of any kind. The term "Non-Tax Revenues" does not include: ad-valorem property taxes; sales taxes; State-shared taxes; revenues of any agency or instrumentality of the Metropolitan Government; revenues which according to generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and the normal and customary accounting practices of the Metropolitan Government, are deposited to and become assets of any proprietary fund or enterprise fund of the Metropolitan Government; payments made by the Department of Water and Sewerage Services of the Metropolitan Government in lieu of ad valorem taxes pursuant to Resolution No. R96-177 adopted by the Metropolitan County Council on February 29, 1996; lease payments payable to the Metropolitan Government or the Sports Authority for the use of any sports facilities now or hereafter owned by the Authority; or ticket surcharge revenues collected by the Metropolitan Government or the Authority from patrons of the Authority's downtown arena currently known as Bridgestone Arena.

(d) The Metropolitan Government further authorizes the Authority to pledge its rights under this Agreement and to the Sales Tax Revenues and the Non-Tax Revenues as security for its obligations under the Indenture, including, without limitation, the repayment of the Bonds and additional or refunding bonds issued pursuant to the Indenture (the issuance of which shall require additional

approval of the Metropolitan Council). Subject to such Metropolitan Council approval, all of the provisions of this Agreement in favor of the Bonds shall apply equally in favor of such additional or refunding bonds.

(e) For so long as the Bonds or any additional bonds or refunding bonds issued pursuant to the Indenture and approved by the Metropolitan Council are outstanding, the Metropolitan Government will transfer the Sales Tax Revenues and the Non-Tax Revenues (to the extent required hereunder) to the Authority as described herein.

(f) For so long as any Bonds or any additional bonds or refunding bonds issued pursuant to the Indenture and approved by the Metropolitan Government are outstanding, the Metropolitan Government will not issue or incur, or permit to be issued or incurred, any indebtedness payable from or secured by a pledge of or lien on any of the Non-Tax Revenues (“Additional Secured Indebtedness”), nor will it pledge any of the Non-Tax Revenues or create a lien on or security interest in any of the Non-Tax Revenues to secure the indebtedness or obligation of the Metropolitan Government, the Authority, or any other entity, unless all the following conditions are met, in which case such Additional Secured Indebtedness may be issued on subordinate basis with respect to any Bonds or any additional bonds or refunding bonds issued pursuant to the Indenture:

(A) all the payments into the respective funds and accounts provided for in the Indenture, as supplemented, shall have been made in full to the date of issuance of said Additional Secured Indebtedness or the creation of the lien, security interest or pledge hereinabove described;

(B) the Authority shall be in substantial compliance with all of the covenants, agreements and terms of the Indenture, as amended and/or supplemented; and

(C) following the issuance of such Additional Secured Indebtedness or the creation of such lien, pledge or security interest, the total amount of Non-Tax Revenues collected by the Metropolitan Government during the most recently concluded fiscal year of the Metropolitan Government equals or exceeds two times the Maximum Debt Service Requirement (as defined in the Indenture) payable during any calendar year with respect to any Bonds, any additional bonds or refunding bonds issued pursuant to the Indenture, and any Additional Secured Indebtedness.

For the avoidance of doubt, the general obligation debt of the Metropolitan Government shall not constitute Additional Secured Indebtedness.

2. Covenants and Agreements of the Authority. The Authority covenants and agrees as follows:

(a) The Authority will enter into the Master Lease and the Master Sublease with the Metropolitan Government, acting by and through the Fair Board.

(b) The Authority will cause the Bonds to be issued and sold pursuant to Tennessee Code Annotated Sections 7-67-101 *et seq.* and 9-21-101 *et seq.* and the Indenture. The Authority will cause the proceeds of the Bonds to be deposited as required by the Indenture and used solely for the Permitted Uses.

(c) So long as the Bonds are outstanding, the Authority will deposit the Fair Board Lease Payments received from the Fair Board to the Lease Revenue Fund established in the Indenture for application as provided therein.

(d) So long as the Bonds are outstanding, the Authority will deposit the Sales Tax Revenues received from the Metropolitan Government to the Tax Revenue Fund established in the Indenture for application as provided therein.

(e) The Authority will comply with all the terms and conditions set forth in the Indenture, including, without limitation, the obligation to use funds held under the Indenture to reimburse the Metropolitan Government for any payments of the Non-Tax Revenues made by the Metropolitan Government for payment of debt service on the Bonds.

3. Covenants and Agreements of the Metropolitan Government. The Metropolitan Government, acting by and through the Fair Board, covenants and agrees as follows:

(a) The Metropolitan Government will enter into the Master Lease and the Master Sublease with the Authority.

(b) The Metropolitan Government will enter into the Development Agreement and the Bristol Lease with the Operator.

(c) The Metropolitan Government will cause the completion of the Speedway Project pursuant to and subject to the terms of the Development Agreement.

(d) The Metropolitan Government will pay the Fair Board Lease Payments to the Authority (or, if directed by the Authority, to the Trustee) from the Bristol Rent that the Fair Board receives from the Operator pursuant to the Bristol Lease.

(e) The Metropolitan Government will comply with all the terms and conditions set forth in the Development Agreement and the Bristol Lease and will enforce the obligations of the Operator thereunder.

(f) The Metropolitan Government hereby assigns to the Authority, as security for the payment of the Fair Board Lease Payments, all of its rights, title and interest in and to the Bristol Rent, inclusive of all rents, profits, revenues and benefits of the Fair Board under the Bristol Lease, including specifically the CVC Use Payments (as such term is defined in the Bristol Lease), subject to the right of the Fair Board to retain the rent amount described as “Additional Guaranteed Rent” under Section 3(b) of the Bristol Lease (the “Fair Board Holdback”).

(g) The Metropolitan Government authorizes the Authority to pledge said assigned rights to the Bristol Rent, other than the Fair Board Holdback, as security for its obligations under the Indenture, including, without limitation, the repayment of the Bonds and additional or refunding bonds issued pursuant to the Indenture.

4. Term.

(a) The duties and responsibilities of the parties hereunder shall commence as of the date hereof and shall continue until the Bonds and any additional bonds and refunding bonds issued under the Indenture are paid in full.

(b) Notwithstanding anything to the contrary herein, termination of this Agreement shall not be permitted if such termination would impair in any way the ability or capacity of any of the parties hereto to fully and timely fulfill its obligations under any contract or agreement with any third party, including the holder or owner of any notes, bonds or other indebtedness described herein.

5. Default. Subject to Section 4(b) above, in the event any of the parties hereto shall fail to perform any of its obligations hereunder or shall become unable to perform by reason of bankruptcy, insolvency, receivership or other similar event, then either non-defaulting party, so long as said party is not itself in default hereunder, may seek specific performance, mandamus or other extraordinary relief to compel the defaulting party to perform hereunder.

6. Establishment of Funds. The Authority and the Metropolitan Government, acting by and through the Fair Board, agree to establish such funds and accounts required by the Indenture and such further funds and accounts as shall be determined necessary or advisable by the Director of Finance of the Metropolitan Government and the Chairman of the Authority to account for and manage the revenues and receipts described herein and provide for the payment of the costs of operating, maintaining and repairing the Speedway Facility and paying the principal of and interest on the Bonds.

7. Severability. If a court of competent jurisdiction or an arbitrator determines that any term of this Agreement is invalid or unenforceable to any extent under applicable law, the remainder of this Agreement (and the application of this Agreement to other circumstances) shall not be affected thereby, and each remaining term shall be valid and enforceable to the fullest extent permitted by law.

8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee.

9. Entire Agreement. This Agreement contains the entire understanding among the parties with respect to the matters contained herein, and supersedes any prior understanding and agreements between them respecting the within subject matter. There are no representations, agreements, arrangements or understandings, oral or written, between or among the parties hereto relating to the subject matter of this Agreement which are not fully expressed herein. Notwithstanding the foregoing, to the extent this Agreement or any of the terms hereof shall conflict with the terms of any of the other documents or agreements referenced herein, the terms of said documents or agreements shall control.

10. Headings. The paragraph headings are inserted only as a matter of convenience and for references and in no way define, limit or describe the scope or intent of this Agreement or in any way affect this Agreement.

11. Authorized Representatives. Any action required of or permitted to be taken pursuant to this Agreement by any of the parties hereto may be performed by an authorized representative of the respective party without further action by the governing body of such party.

12. Counterparts. This Agreement may be executed in counterparts with the same force and effect as if all signatures appeared on a single instrument.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the day and year first above written.

THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY

By: _____
Metropolitan Mayor

ATTEST:

By: _____
Metropolitan Clerk

APPROVED AS TO AVAILABILITY OF FUNDS BY:

Director of Finance

APPROVED AS TO FORM AND LEGALITY:

Director of Law

THE SPORTS AUTHORITY OF THE
METROPOLITAN GOVERNMENT OF NASHVILLE
AND DAVIDSON COUNTY

By: _____
Chairman

ATTEST:

Secretary