Master Sublease

Between

The Sports Authority of the Metropolitan Government of Nashville and Davidson County

Sublessor

And

The Metropolitan Government of Nashville and Davidson County by and through The Metropolitan Board of Fair Commissioners

Sublessee

[____], 2023

This Master Sublease (this "Master Sublease") is entered into this [_____], 2023 (the "Effective Date"), by and between, The Sports Authority of the Metropolitan Government of Nashville and Davidson County ("Sublessor") and The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government"), by and through The Metropolitan Board of Fair Commissioners ("Sublessee").

Recitals

1. The Sublessee is a public corporation established by Charter adopted by referendum vote on June 28, 1962, in conformity with the laws of the State of Tennessee.

2. The Sublessor is a public nonprofit corporation and a public instrumentality of the Metropolitan Government created pursuant to the laws of the State of Tennessee.

3. Pursuant to Section 7-67-109 of the Tennessee Code Annotated, the Sublessor has the express power to convey land by lease to the Sublessee.

4. Pursuant to Section 7-67-116 of the Tennessee Code Annotated, the Sublessee is permitted to acquire land by lease from the Sublessor to aid or otherwise provide assistance to the Sublessor.

5. The Metropolitan Government by and through the Sublessee owns the existing Nashville Fairgrounds Speedway (the "Existing Speedway") located on a portion of the Nashville Fairgrounds at 300 Rains Avenue, Nashville, Tennessee, as more fully described herein (the "Speedway Site").

6. The Metropolitan County Council on [______, 2023], adopted Ordinance No. BL2023-[____] conditionally approving the issuance by the Sublessor of its Revenue Bonds (Speedway Project), Series 2023 (the "Bonds") to provide funds for 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 at the Speedway Site (the "Speedway Facility").

7. Concurrently with the execution of this Master Sublease and the issuance of the Bonds, the Sublessor and the Metropolitan Government, by and through the Sublessee, have entered into a Master Lease (the "Master Lease") pursuant to which the Sublessor has agreed to pay a portion of the proceeds of the Bonds to the Metropolitan Government as a one-time rental payment under the Master Lease, which such payment the Metropolitan Government, by and through the Sublessee, shall use to finance 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 "Project").

8. The Metropolitan Government, Sublessor and Sublessee have determined that the Project will encourage and foster economic development and prosperity for the Metropolitan Government, and will provide recreational and other opportunities for the residents of the State of Tennessee and Nashville and Davidson County.

NOW, THEREFORE, IN CONSIDERATION of the premises and their mutual undertakings as herein set forth and other good and valuable consideration, the Sublessor and the Metropolitan Government, by and through the Sublessee, do hereby agree as follows: **SECTION 1.** Master Sublease by Sublessor to Sublessee. The Sublessor does hereby sublease and demise to the Metropolitan Government, by and through the Sublessee, and the Metropolitan Government, by and through the Sublessee, does hereby sublet from the Sublessor, for and during the lease term hereinafter provided, (i) the Speedway Site as more particularly described and depicted in <u>Exhibit A</u>, which is incorporated herein and made part hereof by this reference, together with any and all appurtenances thereunder belonging (the "Land"), and (ii) all improvements, buildings and structures, including without limitation, the Speedway Facility, located on the Land (the "Improvements") and any and all furniture, fixtures and equipment located on the Land or in the Improvements (the "Equipment"; together with the Land and the Improvements, the "Project Property"). This Master Sublease is entered into and the leasehold estate hereby created is made upon and subject to the terms and conditions contained herein.

SECTION 2. Term. The term of this Master Sublease shall begin on the Effective Date and continue for 40 years, or until the Bonds have been paid in full, whichever is earlier.

SECTION 3. Rent; Application of Rent in Excess of Bond Requirements. _____], and continuing on each [_____] thereafter, the Commencing [Metropolitan Government, by and through the Sublessee, shall pay to the Sublessor as rent with respect to this Master Sublease all funds the Metropolitan Government, by and through the Sublessee, receives from the following sources (collectively, the "Revenues"): (a) all rent and other payments made by Bristol Motor Speedway, LLC (the "Operator") pursuant to the terms of the Lease Agreement (the "Speedway Lease"), dated on or about the date hereof, between the Metropolitan Government, by and through the Sublessee, and the Operator, and (b) all state and local sales tax revenues remitted to the Metropolitan Government pursuant to T.C.A Sections 67-6-103(d)(1)(A)(vii) and 67-6-712; provided, however, the Metropolitan Government, by and through the Sublessee, may withhold from the Revenues for each fiscal year the amount payable by the Operator as Additional Guaranteed Rent pursuant to Section 3(b) of the Speedway Lease. For the avoidance of doubt, the Metropolitan Government, by and through the Sublessee, shall have no obligation to pay rent hereunder beyond payment to the Sublessor of the Revenues it receives from the foregoing sources. The Metropolitan Government, by and through the Sublessee, acknowledges and consents to the Sublessor's assignment of the Revenues for the repayment of the Bonds as provided in that certain Indenture of Trust dated as of [_____, 2023] (the "Indenture"). Sublessor shall at all times ensure that the Indenture provides that all Revenues in excess of amounts needed to fund the payment of debt service on the Bonds and fund a debt service reserve fund therefor shall be applied and made available for the purposes and in the amounts described in the Speedway Lease.

SECTION 4. Improvements and Uses. The Metropolitan Government, by and through the Sublessee, shall, at its sole cost and expense, complete the Project in accordance with the plans and terms set forth in that certain Speedway Development Agreement dated as of [_______, 2023] and the Speedway Lease. The Speedway Facility shall be used for the purposes of a sports authority determined in Title 7, Part 67 of the Tennessee Code Annotated. Sublessor hereby stipulates and agrees that the uses set forth in the Speedway Lease (defined below) are in compliance with the terms of this Agreement and with the uses as determined in Title 7, Part 67 of the Tennessee Code Annotated. The Metropolitan Government, by and through the Sublessee, covenants and agrees that it will use said Project Property for lawful purposes at all times.

SECTION 5. No Warranty. The Metropolitan Government, by and through the Sublessee, has inspected the Project Property and agrees to accept the conditions of the Project Property, without any representation or warranty on the part of the Sublessor, in an "as is" condition. Subject to the terms of the Master Sublease, the Sublessee assumes the responsibility of the condition, operation, maintenance and management of the Project Property.

SECTION 6. Benefit and Assignment and Subletting. The provisions of this Master Sublease shall inure to the benefit of and shall be binding upon the respective successors and assigns of the parties hereto. Neither this Master Sublease nor any of the rights and obligations of the Metropolitan Government, by and through the Sublessee, hereunder shall be assigned or transferred to any person, firm or corporation without the prior written consent of the Sublessor, which consent shall not be unreasonably withheld. Any assignment or transfer shall not release the Metropolitan Government, by and through the Sublessee, from its obligations hereunder. Any approved assignee or transferee shall assume each and every obligation of the Metropolitan Government, by and through the Sublessee, hereunder, and Sublessor may deal with, contract with, and accept rent from any such assignee without waiving any of its rights hereunder. Notwithstanding the foregoing, the Sublessor's consent is not required in connection with the Speedway Lease or any other sublease, license, occupancy, concession, advertising, service, maintenance or other agreement (each, a "Sublease" and collectively, "Subleases", as applicable) of all or any portion of the Project Property entered into by the Sublessee, as lessor or licensor thereunder. The Metropolitan Government, by and through the Sublessee, is expressly permitted to enter into a Sublesses of the Project Property in whole or in part as necessary or desired for the management and operation of the Project Property and such Sublease shall not require any approval or consent of Sublessor. Any Sublease shall be specifically subject to the terms and conditions of this Master Sublease. A Sublease shall not release The Metropolitan Government, by and through the Sublessee, from its obligations hereunder.

SECTION 7. Master Lease; Speedway Lease Agreement. Sublessor and the Metropolitan Government, by and through the Sublessee, each acknowledge that they have entered into the Master Lease concurrently with this Master Sublease and that the Metropolitan Government, by and through the Sublessee, will enter into the Speedway Lease, pursuant to which the Metropolitan Government, by and through the Sublessee, will grant certain rights in favor of the Operator, as more particularly set forth therein. Sublessor hereby consents to the Speedway Lease and the terms and provisions contained therein and acknowledges and agrees that the Speedway Lease shall be deemed a Sublease hereunder, subject to all the rights and protections in favor of Subleases contained herein. Upon the request of the Metropolitan Government, Sublessor shall execute, acknowledge and deliver to and for the benefit of the Operator a commercially reasonable recognition, non-disturbance and attornnment agreement, by and among Sublessor, the Metropolitan Government, by and through the Sublessee, and the Operator.

SECTION 8. Bonds. The Sublessor shall issue the Bonds in accordance with the Indenture, and shall pay a portion of the proceeds of the Bonds to the Sublessee as a one-time rent payment in accordance with the Master Lease. The Metropolitan Government, by and through the Sublessee, shall use the rent paid to it under the Master Lease to complete the Project as provided in Section 4 hereof.

SECTION 9. Mechanic's Liens. Notice is hereby given that Sublessor shall not be liable for any labor or materials furnished or to be furnished to the Project Property upon credit, and that no mechanic's or other lien for any such labor or materials shall attach to or affect the reversion or other estate or interest of the Sublessor in and to the Project Property. No work, services, materials or labor provided to the Metropolitan Government, by and through the Sublessee, by any third party in connection with this Master Sublease shall be deemed to be for the benefit of Sublessor. If any lien shall at any time be filed against the Project Property by reason of the Metropolitan Government's, by and through the Sublessee, failure to pay for any work, services, materials or labor provided to the Metropolitan Government, by and through the Sublessee, by any third party, or alleged to have been so provided, the Metropolitan Government, by and through the Sublessee, shall immediately cause the same to be discharged of record, except that if the Metropolitan Government, by and through the Sublessee, desires to contest any such lien, it may do so as long as any such contest is in good faith. In the event the Metropolitan Government, by and through the Sublessee, fails to cause any such lien to be discharged of record within forty-five (45) days after it receives notice thereof, Sublessor may discharge the same by paying the amount claimed to be due, with the understanding that Sublessor is under no obligation to do so. In the event Sublessor shall discharge any lien on behalf of Sublessee, the Metropolitan Government, by and through the Sublessee, agrees to immediately reimburse Sublessor for such amount (plus Sublessor's actual, reasonable out-of-pocket costs and attorneys' fees).

SECTION 10. Default. In the event either 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 the non-defaulting party may seek specific performance, mandamus or other extraordinary relief to compel the defaulting party to perform hereunder, and such equitable remedies shall be the exclusive remedies hereunder.

SECTION 11. Termination. Upon expiration of the term of this Master Sublease, the Metropolitan Government, by and through the Sublessee, and any lien holder holding an interest or lien against the Project Property shall be finally and permanently divested of any and all interest in the Project Property so that the Sublessor shall hold the Project Property with only the same restrictions and conditions as existed prior to the execution of this Master Sublease and any reasonable and customary covenants, conditions, restrictions, easements or other encumbrances deemed necessary or desirable by Sublessee for improvements to the Project Property. The Metropolitan Government, by and through the Sublessee, shall quietly and peacefully surrender the Project Property to Sublessor, and Sublessor may without further notice re-enter the Project Property and possess and repossess itself thereof and may dispossess Sublessee and remove Sublessee and may have, hold and enjoy the Project Property and the right to receive all rental and other income of and from the same. Notwithstanding the foregoing, in no event may this Master Sublease be terminated unless and until (i) the Bonds are no longer outstanding under the Indenture and (ii) the Master Lease is concurrently terminated.

SECTION 12. Amendments. Subject to any limitations provided in the Indenture, the parties may modify, alter, amend or change any part of this Master Sublease by executing a written amendment setting forth the changes made. Such amendment shall become effective after it has been approved in writing by the Metropolitan Government, by and through the Sublessee, and by Sublessor.

SECTION 13. Net Master Sublease. The parties agree that this Master Sublease is a net Master Sublease, with rent to be paid without adjustment or set-off, except as may be provided herein.

SECTION 14. Notice. All notices and demands required or desired to be given by either party to the other pursuant to this Master Sublease shall be in writing and shall be delivered personally, sent by commercial overnight courier service, prepaid, or sent by United Stated registered or certified mail, return receipt requested, postage prepaid, to the addresses provided below:

If to Sublessor:	Executive Director The Sports Authority of the Metropolitan Government of Nashville and Davidson County P.O. Box 196300 Nashville, TN 37219 Tel: (615)880-1021 Fax: (615)
With copy to:	Department of Law Metropolitan Government of Nashville and Davidson County P.O. Box 196300 Nashville, TN 37219 Tel: (615) 862-6341 Fax: (615) 862-6352
If to Sublessee:	Metropolitan Board of Fair Commissioners Executive Director P.O. Box 40208 Nashville, TN 37204 Tel: (615) 862-8980
With copy to:	The Metropolitan Government of Nashville and Davidson County Room 205, Metro Courthouse Nashville, TN 37201 Tel: (615) 862-6770

Notices and demands shall be deemed given and served: (i) upon receipt or refusal, if delivered personally; (ii) one (1) business day after sending by facsimile (provided a hard copy is also promptly sent) or after deposit with an overnight courier service; or (iii) five (5) days after deposit in the United States mails, if mailed. Either party may change its address for receipt of notices by giving notice of such change to the other party in accordance herewith.

SECTION 15. Non-Discrimination. The Metropolitan Government, by and through the Sublessee, shall not discriminate on the basis of race, color, political, or religious opinion or affiliation, creed, age, physical or mental handicap, sex, marital status, ancestry, national origin, or sexual preference/orientation. The Metropolitan Government, by and through the Sublessee, shall comply with all applicable laws pertaining to discrimination in employment, unlawful employment practices, and affirmative action.

SECTION 16. Severability. The invalidity of any provision of this Master Sublease shall not impair or affect in any manner the validity, enforceability, or effect of the remaining provisions of this Master Sublease.

SECTION 17. Governing Law; Consent to Jurisdiction. This Master Sublease shall be governed by and construed in accordance with the laws of the State of Tennessee. The parties hereby agree that any suit, action or proceeding may be instituted with respect to this Master Sublease in any federal or state court in Davidson County, Tennessee. The parties hereby consent to *in personam* jurisdiction of such courts and irrevocably wave any objection and any right of immunity on the ground of venue, the convenience of forum, or the jurisdiction of such courts, or from the execution of judgments resulting therefrom.

SECTION 18. Exhibits. Sublessor and the Metropolitan Government, by and through the Sublessee, hereby acknowledge and agree that all exhibits referenced in this Master Sublease are attached hereto and incorporated herein by reference.

SECTION 19. Captions. The captions of this Master Sublease are for convenience and reference only and in no way define, limit or describe the scope or intent of this Master Sublease.

SECTION 20. Entire Agreement. This Master Sublease and the referenced Exhibits hereto, each of which is incorporated herein, constitutes the entire understanding and agreement of the parties with respect to the subject matter of this Master Sublease. This Master Sublease integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes al negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.

SECTION 21. Authority to Contract. The signatures on this Master Sublease herein warrant that the Metropolitan Government, by and through the Sublessee, and Sublessor have the requisite power and authority to enter into and enforce this Master Sublease.

[Remainder of Page Intentionally Left Blank]

In Witness Whereof, the parties have executed this Master Sublease as of the date and year set forth above.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

By: ______ Metropolitan Mayor

ATTEST:

By:

Metropolitan Clerk

APPROVED AS TO THE AVAILABILITY OF FUNDS:

Director of Finance

APPROVED AS TO FORM AND LEGALITY:

Metropolitan Attorney

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

Chair

ATTEST BY:

Secretary

<u>Exhibit A</u>

Legal Description and Map of Project Property

PROPERTY DESCRIPTION - SPEEDWAY LEASE TRACT

BEING A TRACT OF LAND LOCATED IN THE 17TH COUNCIL DISTRICT OF METROPOLITAN NASHVILLE, DAVIDSON COUNTY, TENNESSEE. BEING PART OF THE SAME PROPERTY CONVEYED TO METRO GOV'T M FAIR GROUNDS BY DEED OF RECORD IN DEED BOOK 410, PAGE 385, REGISTER'S OFFICE FOR DAVIDSON COUNTY, TENNESSEE. BEING BOUNDED ON THE NORTH BY THE SOUTHERLY RIGHT-OF-WAY OF WEDGEWOOD AVENUE (PUBLIC RIGHT-OF-WAY WIDTH VARIES PER ORDINANCE NO. BL2021-964) AND THE SOUTHEASTERLY RIGHT-OF-WAY OF BENTON AVENUE (70' PUBLIC RIGHT-OF-WAY PER ORDINANCE NO. BL2021-964); ON THE EAST AND SOUTH BY SAID METRO GOV'T M FAIR GROUNDS; ON THE WEST BY SAID METRO GOV'T M FAIR GROUNDS AND SPEEDWAY ALLEY (PUBLIC RIGHT-OF-WAY PER ORDINANCE NO. BL2021-964), AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT AT THE INTERSECTION OF THE SOUTHERLY RIGHT-OF-WAY OF WEDGEWOOD AVENUE AND THE EASTERLY RIGHT-OF-WAY OF BENTON AVENUE, SAID POINT BEING 40 FEET FROM THE CENTERLINE OF WEDGEWOOD AVENUE AND PROCEEDING AS FOLLOWS:

THENCE, WITH THE SOUTHERLY RIGHT-OF-WAY OF WEDGEWOOD AVENUE, SOUTH 82 DEGREES 56 MINUTES 20 SECONDS EAST, 214.34 FEET TO A POINT IN SAID SOUTHERLY RIGHT-OF-WAY;

THENCE, LEAVING SAID SOUTHERLY RIGHT-OF-WAY, CROSSING SAID METRO GOV'T M FAIR GROUNDS PROPERTY THE FOLLOWING 18 CALLS (1 THROUGH 18):

- 1. SOUTH 71 DEGREES 48 MINUTES 17 SECONDS WEST, 122.22 FEET TO A POINT;
- 2. SOUTH 73 DEGREES 21 MINUTES 35 SECONDS WEST, 33.83 FEET TO A POINT;
- 3. SOUTH 61 DEGREES 23 MINUTES 19 SECONDS WEST, 61.50 FEET TO A POINT;
- 4. SOUTH 46 DEGREES 34 MINUTES 51 SECONDS WEST, 67.13 FEET TO A POINT;
- 5. SOUTH 35 DEGREES 52 MINUTES 27 SECONDS WEST, 179.60 FEET TO A POINT;
- 6. SOUTH 81 DEGREES 02 MINUTES 09 SECONDS EAST, 24.70 FEET TO A POINT;
- 7. SOUTH 09 DEGREES 14 MINUTES 45 SECONDS WEST, 673.45 FEET TO A POINT;
- 8. WITH A CURVE TO THE LEFT, HAVING A RADIUS OF 316.00 FEET, AN ARC LENGTH OF 343.38 FEET, A DELTA ANGLE OF 62 DEGREES 15 MINUTES 35 SECONDS, HAVING A CHORD BEARING AND DISTANCE OF SOUTH 21 DEGREES 52 MINUTES 08 SECONDS EAST, 326.73 FEET TO A POINT;
- 9. SOUTH 42 DEGREES 56 MINUTES 44 SECONDS WEST, 16.54 FEET TO A POINT;
- 10. WITH A CURVE TO THE LEFT, HAVING A RADIUS OF 429.00 FEET, AN ARC LENGTH OF 77.17 FEET, A DELTA ANGLE OF 10 DEGREES 18 MINUTES 23 SECONDS, HAVING A CHORD BEARING AND DISTANCE OF SOUTH 59 DEGREES 59 MINUTES 29 SECONDS EAST, 77.07 FEET TO A POINT;
- 11. WITH A COMPOUND CURVE, HAVING A RADIUS OF 290.00 FEET, AN ARC LENGTH OF 238.43 FEET, A DELTA ANGLE OF 47 DEGREES 06 MINUTES 24 SECONDS, HAVING A CHORD BEARING AND DISTANCE OF SOUTH 89 DEGREES 36 MINUTES 43 SECONDS EAST, 231.77 FEET TO A POINT;
- 12. SOUTH 31 DEGREES 46 MINUTES 03 SECONDS EAST, 29.17 FEET TO A POINT;
- 13. SOUTH 57 DEGREES 38 MINUTES 43 SECONDS WEST, 223.61 FEET TO A POINT;
- 14. SOUTH 77 DEGREES 11 MINUTES 58 SECONDS WEST, 142.89 FEET TO A POINT;
- 15. NORTH 25 DEGREES 01 MINUTES 59 SECONDS WEST, 83.35 FEET TO A POINT;
- 16. NORTH 32 DEGREES 46 MINUTES 51 SECONDS WEST, 79.92 FEET TO A POINT;

- 17. WITH A CURVE TO THE RIGHT, HAVING A RADIUS OF 506.00 FEET, AN ARC LENGTH OF 340.91 FEET, A DELTA ANGLE OF 38 DEGREES 36 MINUTES 07 SECONDS, HAVING A CHORD BEARING AND DISTANCE OF NORTH 28 DEGREES 29 MINUTES 47 SECONDS WEST, 334.50 FEET TO A POINT;
- 18. NORTH 15 DEGREES 45 MINUTES 55 SECONDS WEST, 172.05 FEET TO A POINT AT THE SOUTHEAST CORNER OF SPEEDWAY ALLEY;

THENCE, WITH THE EASTERLY RIGHT-OF-WAY OF SAID ALLEY THE FOLLOWING FIVE CALLS (1 THROUGH 5):

- 1. NORTH 15 DEGREES 45 MINUTES 55 SECONDS WEST, 35.59 FEET TO A POINT;
- WITH A CURVE TO THE RIGHT, HAVING A RADIUS OF 143.50 FEET, AN ARC LENGTH OF 62.59 FEET, A DELTA ANGLE OF 24 DEGREES 59 MINUTES 32 SECONDS, HAVING A CHORD BEARING AND DISTANCE OF NORTH 03 DEGREES 16 MINUTES 09 SECONDS WEST, 62.10 FEET TO A POINT;
- 3. NORTH 09 DEGREES 13 MINUTES 36 SECONDS EAST, 280.27 FEET TO A POINT;
- 4. WITH A CURVE TO THE LEFT, HAVING A RADIUS OF 49.50 FEET, AN ARC LENGTH OF 25.88 FEET, A DELTA ANGLE OF 29 DEGREES 57 MINUTES 19 SECONDS, HAVING A CHORD BEARING AND DISTANCE OF NORTH 05 DEGREES 45 MINUTES 03 SECONDS WEST, 25.59 FEET TO A POINT;
- 5. NORTH 20 DEGREES 43 MINUTES 43 SECONDS WEST, 86.83 FEET TO A POINT IN THE SOUTHEASTERLY RIGHT-OF-WAY OF BENTON AVENUE;

THENCE, WITH SAID SOUTHEASTERLY RIGHT-OF-WAY THE FOLLOWING TWO CALLS (1 AND 2):

- WITH A CURVE TO THE LEFT, HAVING A RADIUS OF 667.00 FEET, AN ARC LENGTH OF 561.15 FEET, A DELTA ANGLE OF 48 DEGREES 12 MINUTES 11 SECONDS, HAVING A CHORD BEARING AND DISTANCE OF NORTH 44 DEGREES 12 MINUTES 43 SECONDS EAST, 544.75 FEET TO A POINT;
- 2. NORTH 58 DEGREES 43 MINUTES 34 SECONDS EAST, 44.60 FEET TO THE **POINT OF BEGINNING**, CONTAINING 271,836 SQUARE FEET, OR 6.24 ACRES MORE OR LESS.

THE ABOVE COURSES AND DISTANCES WERE DERIVED FROM METRO ORDINANCES AND FILES PROVIDED TO THIS SURVEYOR BY THE CLIENT.

