LETTER OF INTENT

Bristol Motor Speedway, LLC ("Bristol") and the Metropolitan Government of Nashville and Davidson County ("Metro") and its Board of Fair Commissioners ("Fair Board") are pleased to enter into this letter of intent ("LOI") that outlines certain terms under which the Parties intend to negotiate mutually acceptable agreements for the lease, management, renovation and development of the Nashville Fairgrounds Speedway ("NFS") for the benefit of the citizens of Nashville. Bristol, Metro and the Fair Board are referred to herein individually as a "Party" and collectively as the "Parties.

The goal of this transaction is to renovate this historic Metro-owned asset to make it a valuable and treasured part of the newly redesigned and developed Fairgrounds campus and to create a holistic destination for Nashville residents and visitors. A properly designed and renovated NFS will welcome top tier NASCAR events and create a positive economic impact for Metro.

The Parties will work diligently and in good faith to memorialize the terms and conditions that follow in detailed agreements between the Parties (the "Definitive Agreements"), which Definitive Agreements are anticipated to include a (i) Development Management Agreement; and (ii) Lease and Property Management Agreement. This LOI is not binding on the Parties. The Definitive Agreements will require approval of, among other governmental entities, the Metropolitan Council and Board of Fair Commissioners. Among other customary and detailed provisions, the parties expect the Definitive Agreements to contain the following terms and conditions:

1. Transaction Summary. Metro will provide funding and the necessary footprint to complete renovations necessary to bring the NFS to NASCAR national series (i.e. Cup, Xfinity, Truck) event standards (the "Project").

   a. Metro will fund the Project as described in this paragraph through issuance of bonds (revenue, general obligation or a combination of the two) in an amount to be agreed on by the Parties, anticipated to be approximately $50,000,000 (the "Project Cost Cap"). Metro’s obligation for Project-related costs will not exceed the Project Cost Cap. Project revenues must be fully sufficient to cover all debt service and Project-related expenses. Metro will contract directly with the contractors and design professionals engaged for the Project. Project revenues generated by the renovated facility are expected to include the following:

      i. Recapture of a portion of the state sales tax collected from events held at NFS as described in section 4.d. below;

      ii. The local option sales tax collected from events held at NFS;

      iii. A user fee to be added to each ticket sold for events at NFS;

      iv. Lease payments from Bristol as set forth in section 3 below;
v. Revenues from events other than racing, such as concerts and other forms of entertainment, including events sponsored by the Nashville Convention and Visitors Bureau; and

vi. Net revenues from naming rights for the facility.

b. The final design of the Project shall be a celebration of Nashville’s history, meet NASCAR’s safety and design standards for venues hosting national series events and shall create a multi-function facility that is useful for a variety of tourism-related events and activities.

c. Final capacity for the NFS spectator seating areas will be sufficient to best support the uses described above and consistent with requirements of applicable laws relating to funding sources.

d. The footprint of the NFS is currently expected to be as represented by the site plan attached as “Exhibit A,” including the following features:

   i. The footprint of the NFS will include expansion space beyond its current boundaries outside turns 1 and 4 of the current speedway for spectator seating and a multi-use building.

   ii. The footprint of the NFS will include sufficient space behind the current grandstands to ensure safe ingress and egress to and from the facility for guests, operations and emergency services.

   iii. The footprint and design of NFS will including sufficient parking and operational space for the contemplated uses of the facility.

   iv. The design of all roads and other methods of ingress and egress into the Fairgrounds Property must allow for sufficient space and access to meet all security requirements associated with the welfare and safety of spectators at the NFS.

2. Development Management Agreement. Subject to the limitations of the Project Cost Cap, Metro will retain Bristol to provide construction management services for the Project pursuant to a Development Management Agreement as either a professional services contractor or a sole source contractor provided that such arrangement does not violate any provision of the Metropolitan Code of Laws. If permissible under such Code of Laws, the Development Management Agreement will include the following provisions:

   a. The rate paid to Bristol will be fair market value for similar services.

   b. Bristol will be reimbursed reasonable and agreed upon expenses associated with the construction consultation services.
c. Metro will provide a clearly defined approval process for procurement, design, scope of work and change orders for the Project.

3. **Lease and Management Agreement.** Bristol will sign a long-term lease and management agreement with terms and conditions that are consistent with the requirements of bonds issued to finance the Project and otherwise acceptable to the Board of Fair Commissioners. Terms of the agreement will include the following:

   a. Bristol will lease all the Fairgrounds Property, including the NFS, (including, but not limited to, the Expo Center and all Fair Board managed parking areas, but excluding the MLS stadium, commercial development(s) and all other portions of the NFS committed to other parties) (collectively, the "Facility") for four (4) weeks per year for a total of $1,000,000 per year. The lease term and lease payments will commence upon completion of the Project in accordance with Section 1 of this LOI.

      i. Bristol will use these weeks to bring NASCAR national touring series events and other major events to the Facility and will be responsible for all expenses and retain all non-tax revenues associated with these major events. Metro will retain all tax and seat user fee revenues from these events.

      ii. The parties will work diligently and in good faith with other parties having the right to schedule events at the Nashville Fairgrounds to create a scheduling protocol that will ensure Bristol the ability to schedule events, including NASCAR Cup Series and other major events.

      iii. During these weeks, Bristol will be granted reasonable usage rights for space on the Fairgrounds campus not obligated or controlled by other parties to ensure sufficient space for parking and safe ingress and egress for guests, employees, emergency services and operations.

      iv. Metro and the Fair Board will work cooperatively with Bristol to facilitate transportation, parking and pedestrian safety in and around the Facility during major NFS events.

   b. Bristol will manage and operate the NFS year-round under mutually agreed upon terms including the following:

      i. Bristol will share revenue with Metro/Fair Board for events other than those contemplated by Item #3(a)(1) above at an agreed upon percentage of revenues net of event-specific expenses.

      ii. Bristol and the Fair Board will cooperate to establish a reasonable process by which the Fair Board may request and use the NFS for
its events without charge other than for Bristol's expenses incurred during such an event.

c. Bristol will assist Metro in securing a naming rights sponsor for the NFS.
   
i. Metro will pay Bristol a consultant fee equal to an agreed-upon percentage of the gross amount paid to Metro for the naming rights of the NFS.

   ii. Metro shall reimburse Bristol for the cost of all inventory associated with the naming rights sponsorship, whereupon Bristol will fulfill the inventory obligations associated with the naming rights sponsorship package.

   iii. Should the naming rights revenue exceed $1,500,000 per year, the parties will share such excess amount in agreed-upon percentages.

4. General terms and conditions.

   a. The Parties will mutually agree upon the timing and wording of announcements related to the Definitive Agreements.

   b. Time is of the essence in this LOI and all Parties shall use diligent efforts to negotiate and finalize the Definitive Agreements in a timely manner. Should the Definitive Agreements fail to be finalized on or before July 31, 2021, either party may terminate this Letter of Intent.

   c. Bristol will support a change in state law that will allow Metro to impose a ticket user fee on ticketed events to be held at NFS. Bristol agrees to impose a ticket user fee in an amount to be approved by Metropolitan Council on all ticketed events to be held at NFS (the "Ticket User Fee"). The Ticket User Fee cannot exceed $3.00 per ticket without the express consent of Bristol. The Ticket User Fee will be used by Metro exclusively to repay the debt issued for payment of the Project, with any surplus to be used exclusively for capital improvements at the Fairgrounds Property.

   d. The Parties will support a change in state law allowing Metro to capture 5.5% of the State’s current 7.0% sales tax levy generated at the NFS and its ancillary facilities (such as parking lots) for the purposes outlined in subsection c of this section 4.

   e. Once the initial indebtedness is paid off, both the Ticket User Fee under section 4.c. and the sales tax under section 4.d. will be deposited into a capital account primarily for capital improvement projects at NFS or other Fairgrounds improvements at Metro’s discretion.
Exclusivity. During the period from the date of this LOI and extending to July 31, 2021, Metro and the Fair Board agree that each will suspend all negotiations with other parties related to transactions contemplated by this LOI.

Cooperation. Upon the Parties' execution of this LOI, the Parties will commence further negotiations of the transactions contemplated hereby including the preparation of the Definitive Agreements and any other formal documents necessary or desirable for the subject transactions. All such documents shall be subject in all respects to the approval of the Parties.

This LOI represents the Parties' preliminary expressions of interest only.

THE METROPOLITAN GOVERNMENT OF NASHVILLE, TENNESSEE  
By: Mayor John Cooper  
3-4-21  
Date

BRISTOL MOTOR SPEEDWAY, LLC  
By: Marcus G. Smith, CEO  
3-4-21  
Date