



MLS Stadium Agreements

July 2018

Summary of Agreements

- Ground lease between Sports Authority (SA) and Fair Board for stadium site
- Stadium Lease
 - Development agreement
 - Guaranty agreement
- Construction administration agreement
- Construction management agreement

Summary Timeline

July 2018

- Sports Authority Board Information Session – July 10, 2018
- Fair Commissioners Board Information Session – July 11, 2018
- Fair Commissioners Board Meeting – July 17, 2018
 - Approve stadium ground lease
- Sports Authority Board Meeting - July 19, 2018
 - Approve stadium agreements

August 2018

- Metro Council action
- Sports Authority Board Meeting – August 16, 2018
 - Approve Construction Management agreement

September 2018

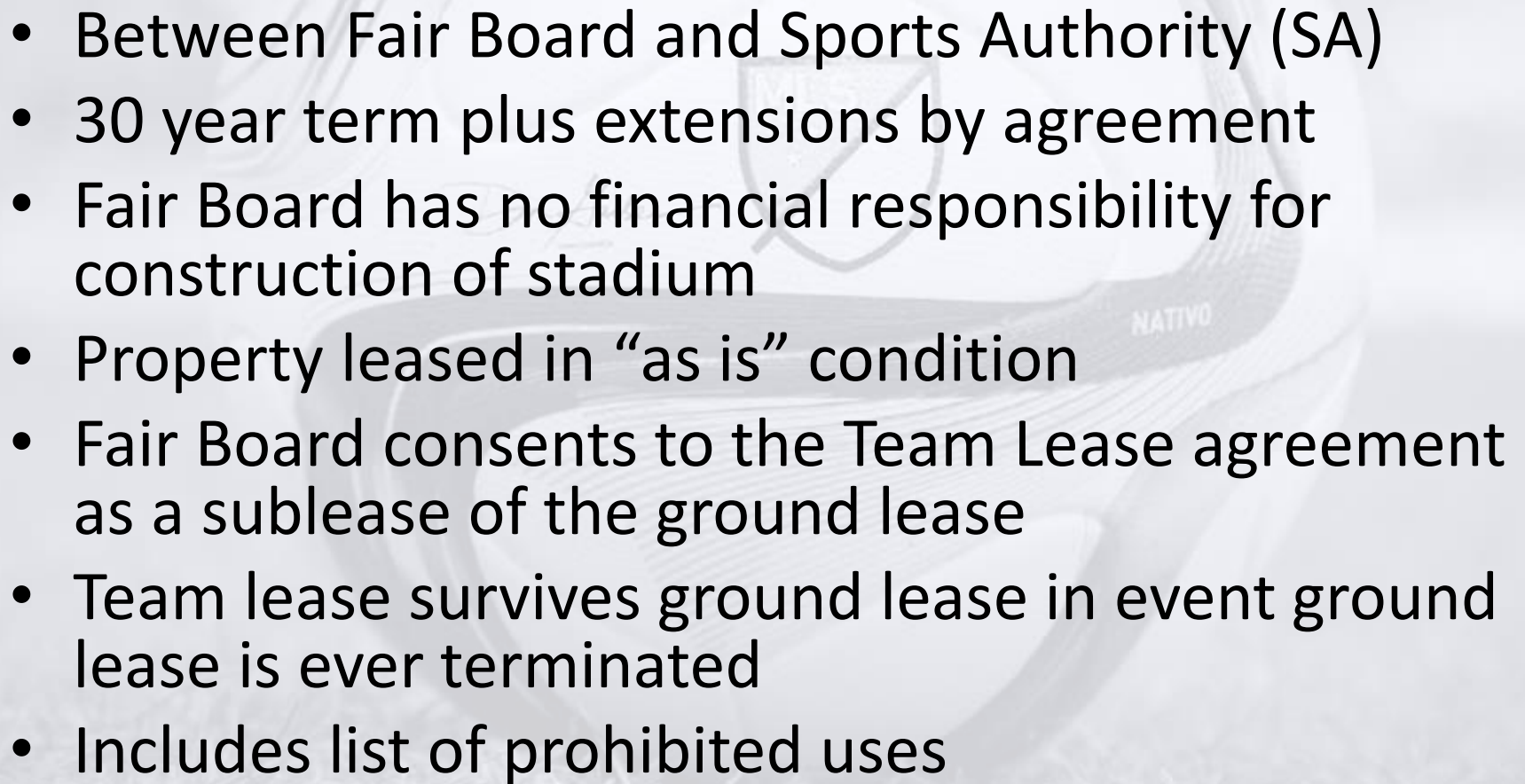
- Metro Council action

Early Q4 2018

- Issue revenue bonds for stadium

A soccer ball is the central focus of the image, resting on a grassy field. The ball is white with dark, curved panels. A shield-shaped logo with the letters 'MLS' is visible on the upper part of the ball. Below it, the word 'NATIVO' is printed on a dark band. The text 'Ground Lease' is overlaid in a large, bold, black font across the middle of the ball. The background is a soft-focus view of a grassy field under bright, natural light.

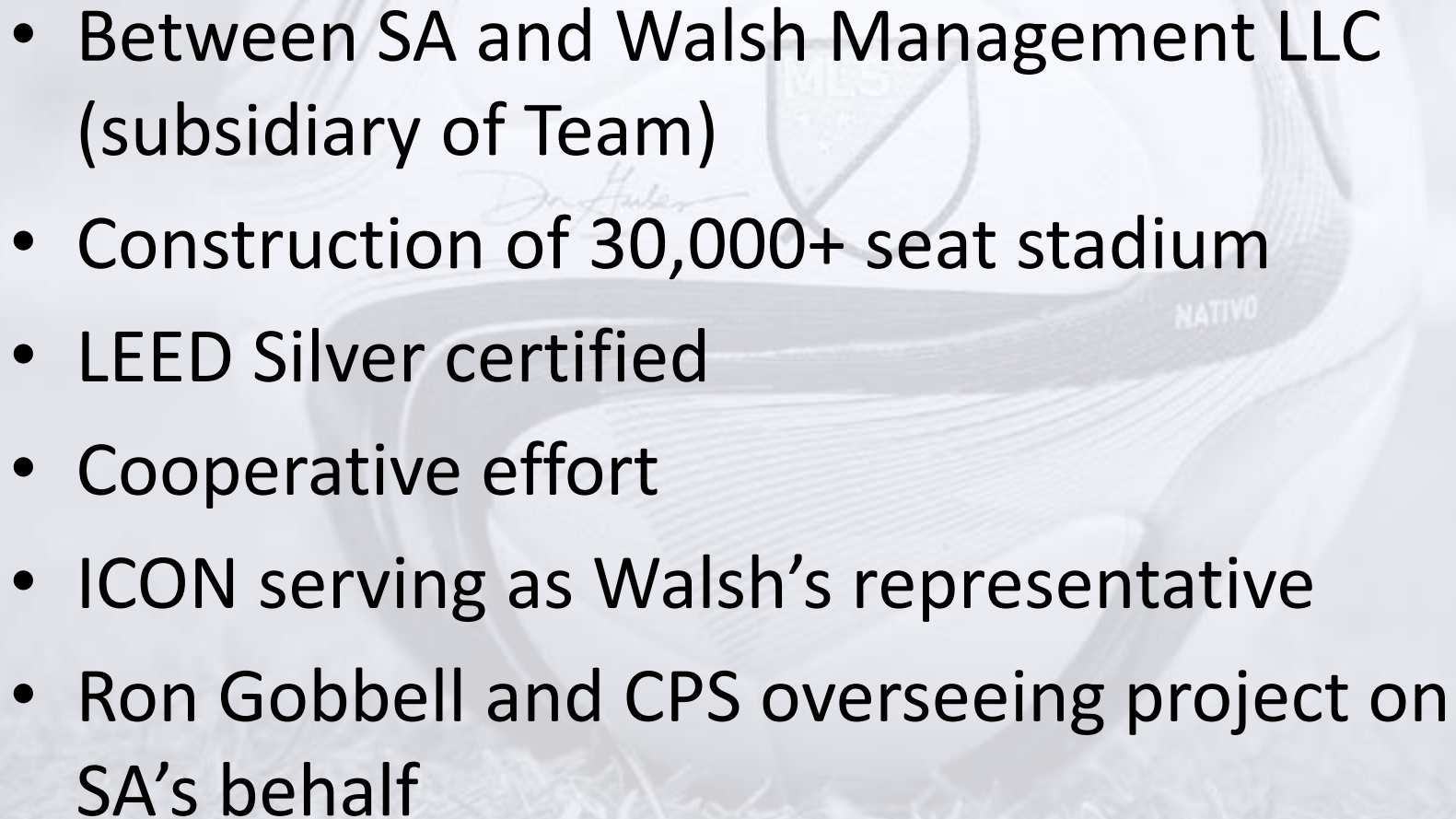
Ground Lease

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- A background image showing a soccer ball on a grass field. A player's leg is visible, wearing a white sock with the brand name 'NATIVO' printed on it. The scene is slightly blurred, focusing attention on the text in the foreground.
- Between Fair Board and Sports Authority (SA)
 - 30 year term plus extensions by agreement
 - Fair Board has no financial responsibility for construction of stadium
 - Property leased in “as is” condition
 - Fair Board consents to the Team Lease agreement as a sublease of the ground lease
 - Team lease survives ground lease in event ground lease is ever terminated
 - Includes list of prohibited uses



Development Agreement

(Exhibit to Lease Agreement)

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- Between SA and Walsh Management LLC (subsidiary of Team)
 - Construction of 30,000+ seat stadium
 - LEED Silver certified
 - Cooperative effort
 - ICON serving as Walsh's representative
 - Ron Gobbell and CPS overseeing project on SA's behalf

Development Committee

- 4 members: 2 from MLS team and 2 from SA
 - Ron would serve as one of the members
 - Other member could be Monica or a SA member
 - Team's rep will serve as chair
- Development Committee will work together throughout design and construction process
- Collaboration required to resolve disputes if the disputed matter would have an adverse impact on future capital needs

Construction Timeline

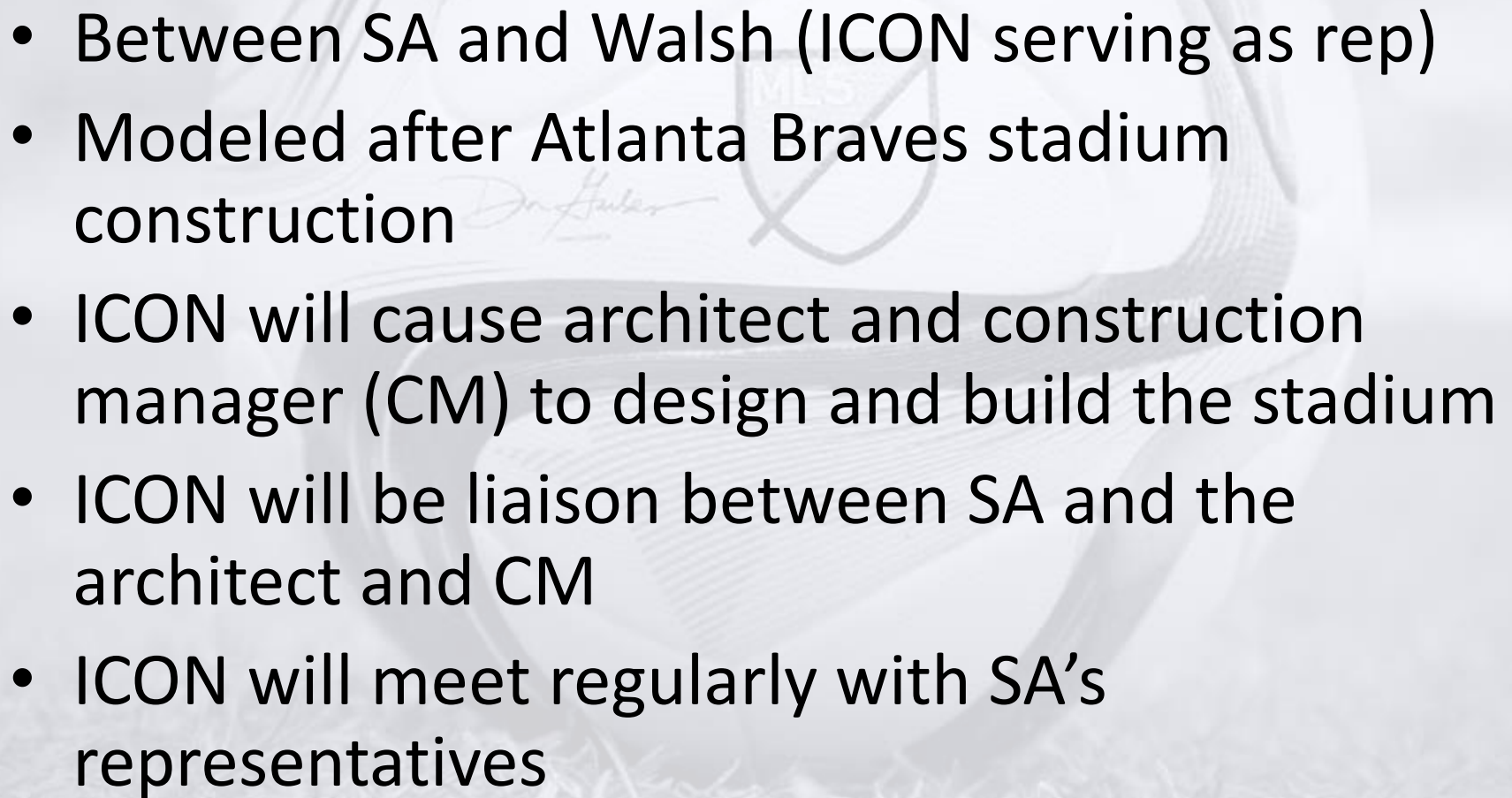
- 2/25/19 Final plans submitted to MLS
- 6/30/19 Delivery of site and commencement of construction
- 2/19/21 Team takes occupancy

Construction Funding Sources

- Up to \$225M in SA revenue bonds
- \$25M from team
 - Separate agreement with team for them to cover design and related costs prior to issuance of bonds
- \$25M from Metro G.O. bonds
- Team responsible for all cost overruns



**Construction Administration
Agreement**

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- Between SA and Walsh (ICON serving as rep)
 - Modeled after Atlanta Braves stadium construction
 - ICON will cause architect and construction manager (CM) to design and build the stadium
 - ICON will be liaison between SA and the architect and CM
 - ICON will meet regularly with SA's representatives

ICON's responsibilities

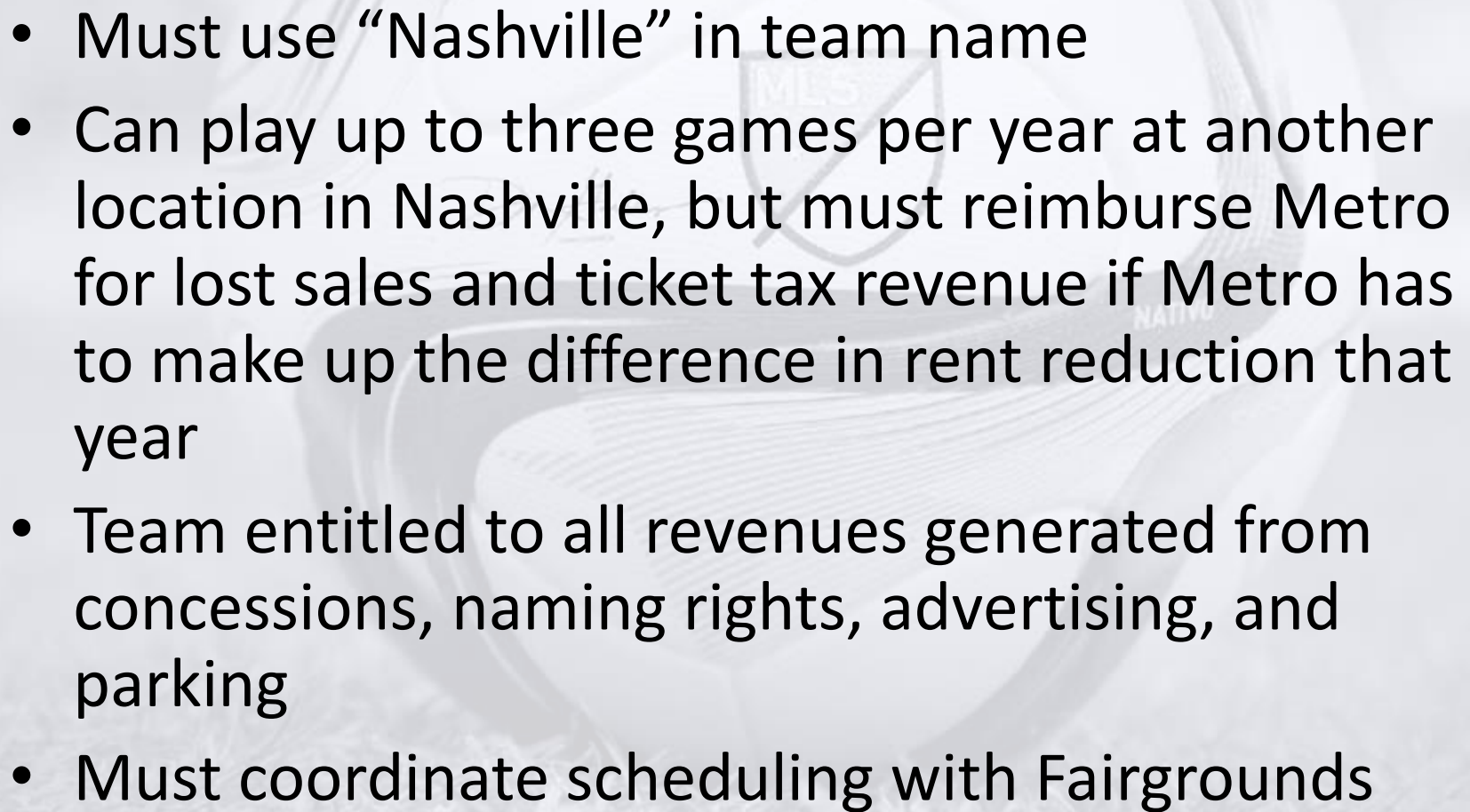
- Develop project milestones
- Work with CM to set GMP in consultation with SA's representatives
- Monitor construction costs
- Hold project team meetings
- Monitor punch list completion
- Assist with record keeping
- Review contractors' payment applications
- Submit change orders to SA for approval

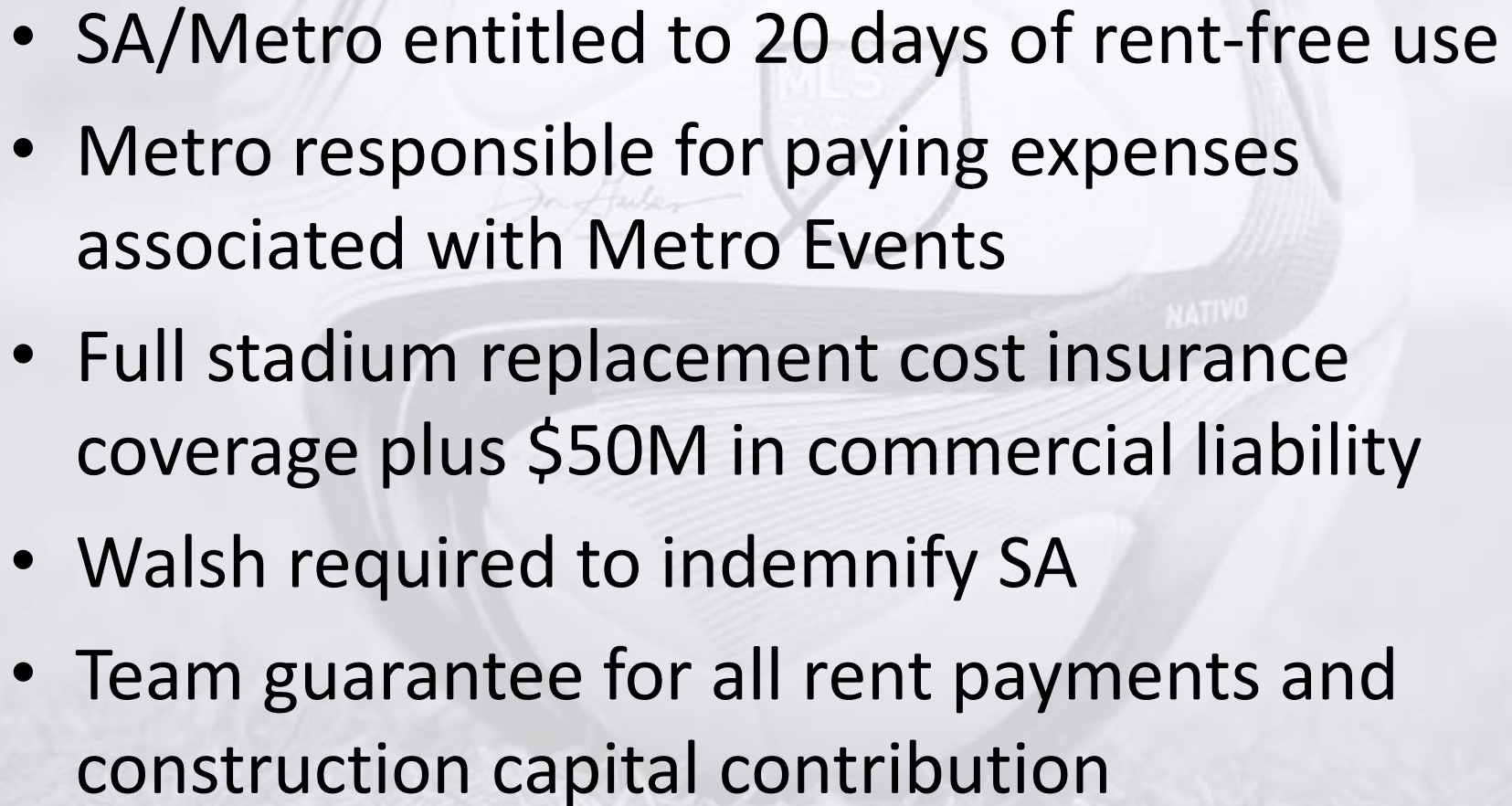
A close-up, slightly blurred photograph of a white soccer ball with black and grey patterns. The ball is resting on a grassy surface. In the center of the ball, there is a shield-shaped logo with the letters 'MLS' inside. Below the shield, the name 'D. Williams' is written in a cursive script. To the right of the shield, the word 'NATIVO' is printed in a sans-serif font. Overlaid on the center of the ball is the text 'Team Lease' in a large, bold, black sans-serif font.

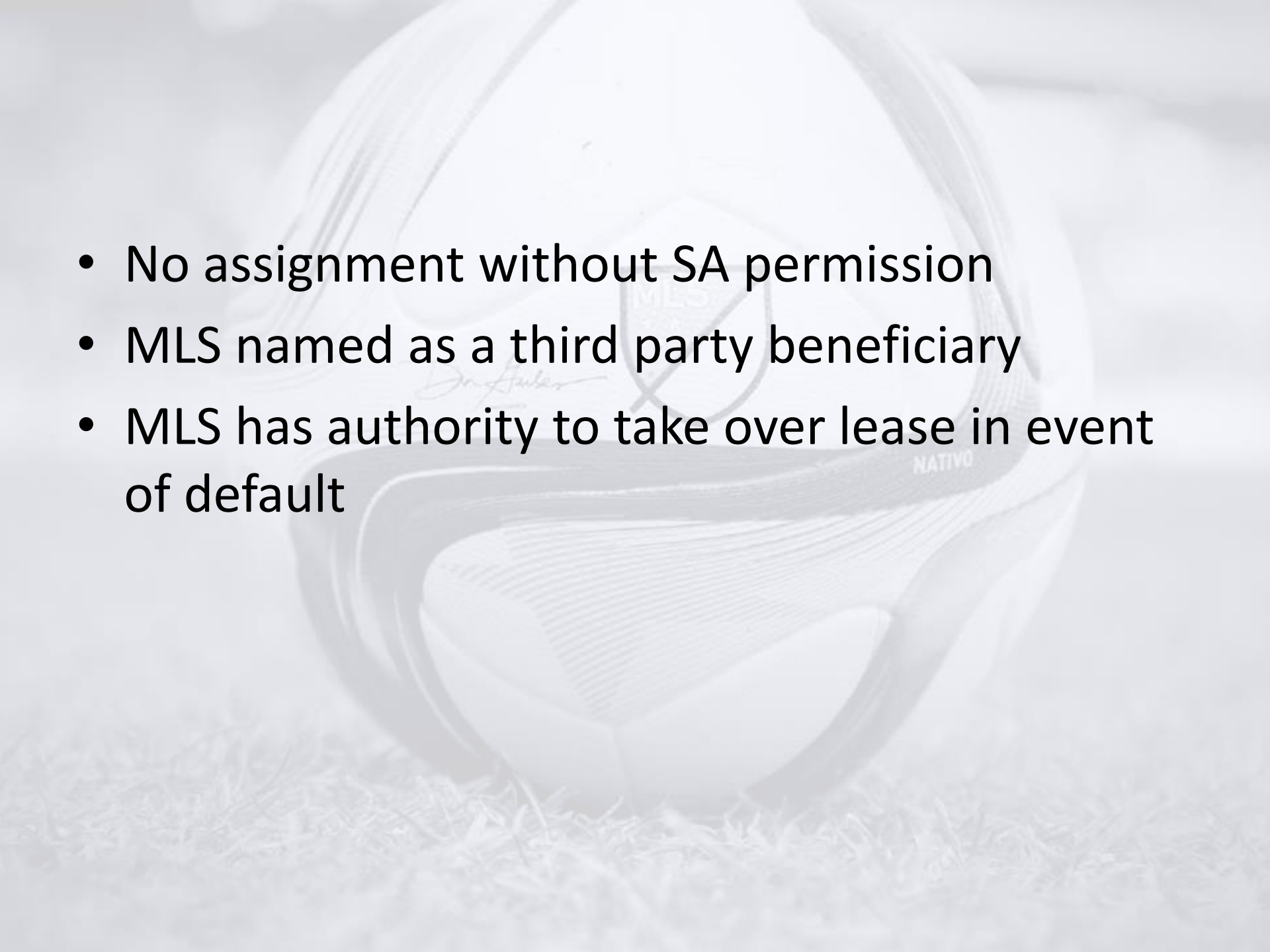
Team Lease

- Between SA and Walsh Management LLC
- 30 year term
- Annual rent is the amount of annual revenue bond debt service less the sales and ticket taxes collected (“rent reduction”)
 - Metro guarantees rent reduction will be at least \$4M in years 1-5 and \$3M in years 6-10
- Rent paid twice a year to coincide with bond payment dates

- Walsh responsible for all operating and maintenance expenses
- SA responsible for capital expenses
- Portion of ticket tax set aside for CAPEX starting in year 6
 - \$0.50 per ticket years 6 and 7
 - \$0.75 per ticket year 8 and beyond
- Walsh required to provide capital asset management plan (CAMP) starting in year 7

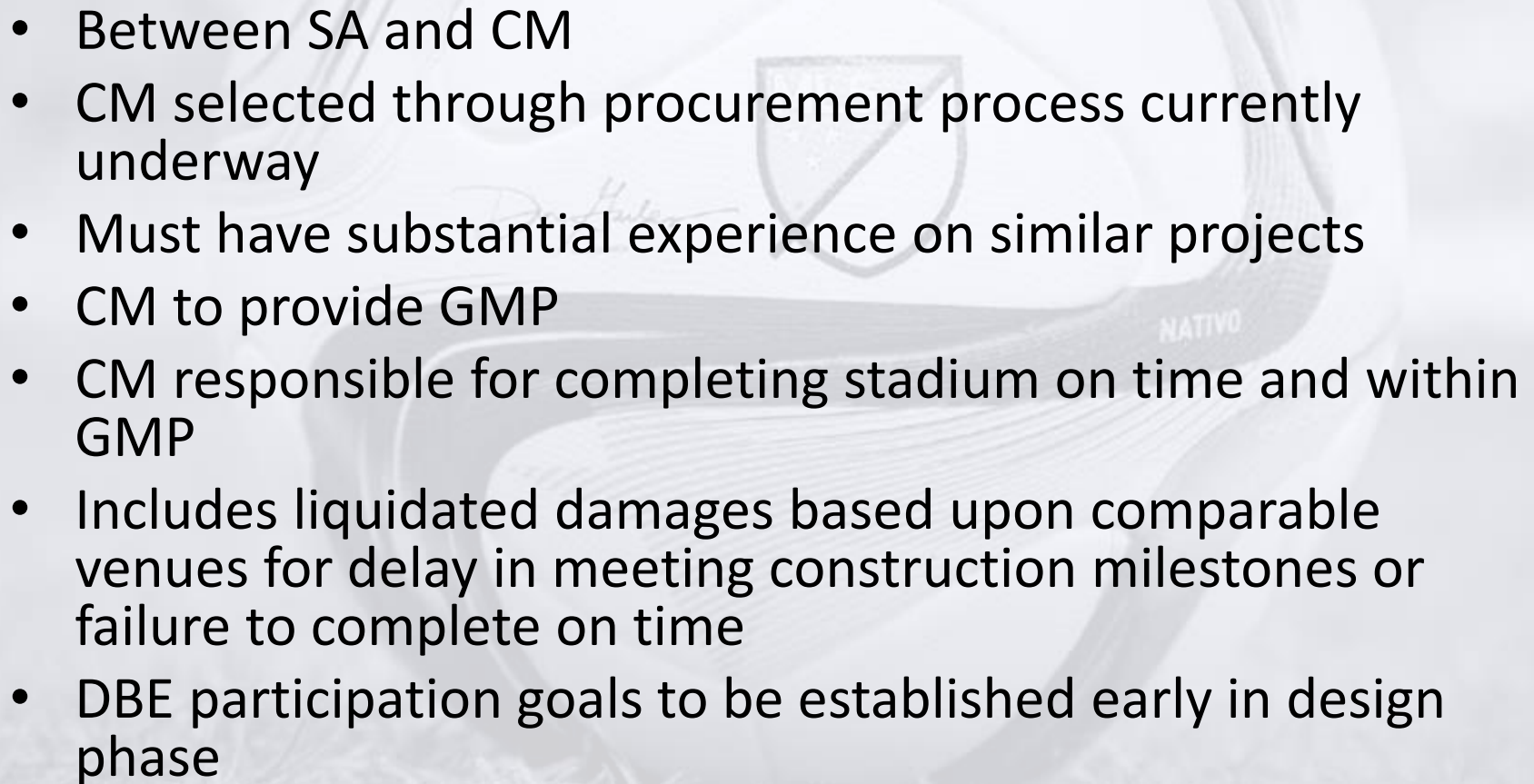
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- Must use “Nashville” in team name
 - Can play up to three games per year at another location in Nashville, but must reimburse Metro for lost sales and ticket tax revenue if Metro has to make up the difference in rent reduction that year
 - Team entitled to all revenues generated from concessions, naming rights, advertising, and parking
 - Must coordinate scheduling with Fairgrounds

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- SA/Metro entitled to 20 days of rent-free use
 - Metro responsible for paying expenses associated with Metro Events
 - Full stadium replacement cost insurance coverage plus \$50M in commercial liability
 - Walsh required to indemnify SA
 - Team guarantee for all rent payments and construction capital contribution

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- A soccer ball is the background of the slide. It is white with black and grey patterns. A signature, possibly 'D. Huber', is visible on the ball. The word 'NATIVO' is printed on the side of the ball. The ball is resting on a grassy surface.
- No assignment without SA permission
 - MLS named as a third party beneficiary
 - MLS has authority to take over lease in event of default

A soccer ball is the central focus of the image, resting on a grassy field. The ball is white with black and grey patterns. A shield-shaped logo with 'MLS' is visible on the ball. The word 'NATIVO' is printed on the side of the ball. The background is a soft-focus view of a soccer field.

Construction Management Agreement

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- Between SA and CM
 - CM selected through procurement process currently underway
 - Must have substantial experience on similar projects
 - CM to provide GMP
 - CM responsible for completing stadium on time and within GMP
 - Includes liquidated damages based upon comparable venues for delay in meeting construction milestones or failure to complete on time
 - DBE participation goals to be established early in design phase

A soccer ball is the background of the slide. It is white with black and grey patterns. In the center, there is a crest with the letters 'MCS' inside. Below the crest, there is a signature. On the right side of the ball, the word 'NATIVO' is printed. The ball is resting on a grassy field.

Required Council Approvals and Timeline

- Ordinance approving ticket tax and demolition of structures (requires 27 votes on 3rd reading)
- Ordinance approving rezoning of private development portion
- Ordinance approving private development ground lease
- Resolution approving issuance of G.O. bonds
 - 1st reading: August 7
 - 2nd reading: August 21
 - 3rd reading: September 4