

**APPROPRIATION AGREEMENT WITH THE BIRTHPLACE OF COUNTRY MUSIC
ALLIANCE INC. FOR THE BIRTHPLACE OF COUNTRY MUSIC MUSEUM**

This Agreement, made and effective as of the _____ day of _____, 2012, by and between the City of Bristol, Tennessee, a Tennessee municipal corporation, hereinafter referred to as the "City" and Birthplace of Country Music Alliance, Inc., a Virginia Nonprofit Corporation, hereinafter referred to as the "BCMA."

Witnesseth:

WHEREAS, Tennessee Code Annotated Section 6-54-111 authorizes municipalities to appropriate funds for the financial aid of nonprofit charitable organizations; and

WHEREAS, the BCMA is a nonprofit charitable organization with the mission of preserving and promoting the region's musical heritage by way of education and support of live music, which includes the construction of a Country Music Museum ("museum"); and

WHEREAS, the City Council of Bristol, Tennessee is desirous of supporting the museum project; and

WHEREAS, the City desires to set forth the terms and conditions of its appropriation of funds for the BCMA and the purposes for which these funds may be used by the BCMA.

NOW, THEREFORE, for and in consideration of the mutual promises of the parties and the benefits to be derived therefrom, the City and the BCMA agree as follows:

1. The City shall pay to BCMA the sum of \$300,000, in three equal installments of \$100,000, with such first payment to be made within sixty (60) days following the award of a construction contract for the museum and the second and third payments to be made 12 and 24 months following the first installment, respectively.

The funds so provided shall be used for pre-opening expenses incurred by the BCMA for the museum, not to exceed 50% of the total amount paid, with all remaining unspent funds to be placed in an operating reserve for use following the opening of the museum.

2. In addition, the City shall pay to BCMA up to \$300,000 during the first 60 months after the museum has opened for business on a fulltime basis for the purpose of temporarily covering any operating losses incurred by the museum.

Any funds to be paid by the City to cover such operating losses shall be made only after the City has received an independent auditor's report identifying the amount of the operating loss and certifying the lack of funds in reserve or otherwise available to cover such loss; provided however, that the City Manager may advance such funds upon

request of BCMA when he determines in his discretion that the financial situation of the museum warrants early action.

Any City funds paid to BCMA under this Paragraph 2 shall be repaid by BCMA without interest under such terms agreed to by the City and BCMA at the time such funds are advanced. The City Manager shall require the execution of a promissory note and such other documents as he may deem appropriate to secure such repayment.

3. All funds paid to BCMA under this Agreement shall be used to promote the general welfare of the residents of the City by constructing and operating the museum.
4. The funds shall be used by BCMA without regard to race, color, religion, national origin, age, sex, or disability. In expending these funds, BCMA will not discriminate against any employee or applicant for employment because of race, color, religion, national origin, age, sex, or disability. The BCMA will seek to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, national origin, age, sex, or disability. Such action shall include but not be limited to the following: employment, upgrading, demotion or termination; rate of pay and other forms of compensation; and selection for training. The BCMA will post in conspicuous places, available to employees and applicants for employment, notices summarizing the provisions of this equal opportunity clause.
5. The BCMA agrees to contract with a qualified, venue management company with experience in museum or like entertainment facilities to operate the museum for a minimum period of sixty (60) months following its opening.
6. The City is authorized to audit or otherwise examine the books and records of BCMA during normal business hours to verify that the funds are being expended in accordance with the terms of this Agreement upon reasonable notice not less than five (5) business days in advance. As required by Tennessee Code Annotated Section 6-54-111(c), BCMA shall file with the city recorder a copy of an annual report of its business affairs and transactions, which shall include a copy of an annual audit, a description of the program that serves the residents of the City and the proposed use of the funds provided by the City under this Agreement. Such report will be open for public inspection during regular business hours of the city recorder's office.
7. Notwithstanding anything in this Agreement to the contrary, the City's obligation to pay BCMA under this agreement is contingent upon and subject to each of the following:
 - a. the annual appropriation of funds by the City Council; and
 - b. the receipt by BCMA of a robust level of funding for the museum from the City of Bristol Virginia; and
 - c. BCMA's compliance with the terms and conditions of this Agreement and its use of the funds provided by the City for the museum in accordance with this Agreement

8. This Agreement may be terminated by the City, upon at least 30 day's written notice, in the event the museum is abandoned, substantially delayed, or the City of Bristol Virginia does not provide funding at similar levels. In the event of such termination, BCMA shall reimburse the City for all sums paid under this Agreement in excess of those actually expended for the museum, less any funds obligated but not yet paid to a third party. Any notice of termination shall be sent by first class certified mail to BCMA, P.O. Box 216, Bristol, TN/VA 37621.

9. This Agreement does not create a joint venture between the parties, nor do the parties have a principal/agency relationship, a master/servant or employer/employee relationship, nor any other type of legal relationship which may be construed to be such that the parties are involved in joint activities by virtue of this Agreement. The BCMA shall be an independent contractor for the City.

10. Each party represents that this Agreement has been approved by its governing body, and that it has full authority to enter into this Agreement.

IN WITNESS WHEREOF, the parties have made and executed this Agreement to be effective as of the as of the day and year first above written.

APPROVED AS TO FORM
AND LEGALITY:

CITY OF BRISTOL, TENNESSEE

City Attorney

By: _____

BIRTHPLACE OF COUNTRY MUSIC
ALLIANCE INC.

By: _____
(Signature)

(Typed or Printed Name and Title)