

PAISLEY PARK MUSEUM BUSINESS PLAN

August 19, 2016

Bremer Trust, National Association, as Special Administrator of the Estate of Prince Rogers Nelson has formed Paisley Park Facility, LLC to operate a museum at Paisley Park, 7801 Audubon Road, Chanhassen, MN, the former recording studio of Prince Rogers Nelson. The family of Prince is supportive of operating Paisley Park as a museum and believes that this is what Prince would have wanted for all of his fans.

Paisley Park Facility has entered into an Exhibition Operating Agreement, with PP Management, LLC, a subsidiary of Graceland Holdings, LLC to operate the Exhibition. The management team of Graceland Holdings, LLC has been involved in the operations of Graceland in Memphis, Tennessee since 1982. Graceland has over 30 years of experience, having handled in excess of 20 million visitors and 8 million vehicles during that time, including all aspects related to traffic and attendance management, ticket control, security, retail and food and beverage service as part of Graceland and operating a similar museum facility and tours. Graceland's experienced management team will be providing development, management, and oversight of all aspects of the museum at Paisley Park. In recent years, Graceland has over 600,000 guests per year, while maintaining an amicable relationship with the City of Memphis and neighbors of Graceland. Graceland is in the process of expanding its operations to include operation of a hotel complex a few blocks from the Graceland mansion which is scheduled to open in October 2016 and also opening up a World's Fair entertainment complex across the street from the Graceland mansion which is scheduled to be open in March 2017. Graceland Holdings is highly committed to this project and making it success for the Estate of Prince Rogers Nelson as well as the local and broader Twin Cities community. Toward that end Graceland is providing the initial funds for capital improvement and initial operating costs of the museum.

The following is the proposed business plan for the Paisley Park museum operations:

Building Construction – We do not anticipate any exterior construction at the site, other than items related to the parking lot. In terms of interior construction, we anticipate widening doorways, adding lighting, motion detectors, and sound systems in areas of the facility. We will also be completing various improvements required for fire safety purposes. As previously reviewed with the City of Chanhassen, we will also be replacing the existing chiller/boiler at the facility.

Operations – We plan to open the Museum in early October (subject to obtaining all approvals required by the City of Chanhassen). The family of Prince Rogers Nelson has an Official Family Tribute Concert scheduled for Thursday, October 13th at U.S. Bank Stadium, and the plan is to have the Museum open in advance of that so that out of town visitors and others that attend the Tribute Concert will also be able to complete a tour of Paisley Park. We anticipate operating the Museum from 10 am to 10 pm during the week and from 9 am to midnight on weekends, although we will vary these hours based on ticket demands and may have less hours during the week or in winter months. At this time, it is difficult for us to predict peak hours, but we anticipate heavier traffic in evenings and weekends.

Tickets to the Museum will be sold only online and will not be able to be purchased at the site. We will not permit any walk-up entry. Tickets will be for a specific time tour and guests will be permitted to park and enter Paisley Park only 20-30 minutes early. This time frame and limited access will be strongly emphasized in ticketing and repeated messaging to guests. The length of the tour will be approximately 70 minutes and guests will be required to exit within 30-45 minutes after the conclusion of their tour. The maximum guest stay during peak times will be 2 hours.

Tours will be guided tours and will start in 10 minute increments and each tour is expected to include 25-30 guests. We anticipate a total of 1500 to 2000 guests per day on peak days.

Ticket prices will be \$38.50 for standard tickets. A VIP Tour experience will also be offered for smaller guests groups with prices of \$100 or more.

Guided tours will take guests through the recording and mixing studios, video editing rooms, rehearsal rooms, Prince's private NPG Music Club, and the soundstage and performance hall. The tour will be contained to the main floor of the facility and will be indoors, except for an exit from the performance hall to the storage garage where cars and the tour bus will be able to be viewed. We will add a tent to the breezeway passage from the performance hall to the storage garage.

We anticipate employing 20 to 60 people from the local area during the museum's operating hours. This amount will vary based on the tour volumes and times. We will also be engaging a substantial number of local contractors and service providers to ready the facility for operations by early October.

Traffic/Parking – The facility currently includes approximately 90 parking spaces in its front parking area. We plan to further expand the parking area to the east to add an additional 40-50 spots. In addition, because we will be utilizing parking attendants we would anticipate being able to “double-park” cars based on knowing what times people will be exiting the facility and can utilize an additional 28-30 spots based on this method of parking. This will result in total parking of approximately 160 spaces. Based on Graceland's experience, we estimate that there will be 2.5 guests per vehicle, which based on the anticipated attendance and tour times equals 60 vehicles per hour and a maximum of 150 vehicles parked at any given time given the ticketed tour windows and a maximum guest stay of 2.0 hours in peak time periods. As noted below, we also anticipate as many as 20% of guests being shuttled from other locations particularly during peak hours.

We will expand the front gate area to include a coned cul-de-sac area so that cars can easily exit from Audubon Road. We will have parking attendants that will immediately review parking tickets and time windows to confirm if a vehicle can enter the parking lot. If a guest's allotted time period has not yet arrived, the attendant will direct the car to exit the cul-de-sac and return during the ticketed time period. The attendants will also be patrolling the exterior fence and Audubon Road to prevent any cars from stopping along the road or otherwise causing traffic congestion. We will have parking attendants that will direct parking. We will be adding lighting to the parking lot to the extent there is not sufficient lighting currently there. In the future, we may utilize land across Audubon Road for additional parking.

A traffic study related to the facility is being prepared and will be submitted to the Planning Commission. On our current estimates, the traffic volumes will be less than the volume of cars entering the nearby General Mills facility based on observed traffic study there.

We expect to utilize the back parking lot and garage for employees of the facility to park and will also utilize off-site shuttle and parking for employees.

We are also making arrangements with bus companies to conduct shuttle trips from the airport and/or the Mall of America area.

Security – The Museum will have 24x7 security. We will install a new security system. The Museum will hire security guards and supervisors for its operations.

Food & Drink – The Museum will offer food and beverage at the conclusion of the tour. There will be no alcoholic beverages sold or permitted to be consumed at the facility. The food is anticipated to be a limited item of vegetarian items including a tasting plate, dessert, and select sandwiches. We are interviewing vendors to provide the food and anticipate that while some food would be prepared offsite and delivered daily that there would be select portions of the menu that would be prepared on site. The Museum anticipates erecting a tent connected (or semi-attached) to the exit near the restrooms in a portion of the exterior parking area where guests could sit for a brief period to eat upon conclusion of the tour. (See attached exterior map). There will be no smoking permitted at the facility.

Merchandise – The Museum will include sales of merchandise on-site including apparel, guidebooks and other souvenirs.

Other Events – Paisley Park will continue to be utilized as a recording studio for special sessions. In addition, we anticipate that concerts will also continue to be held in the performance hall. There would be no events outside. No events are anticipated to be held until at least March 2017 and no arrangements or bookings have been made related to future events. We anticipate that such events will be held on Friday or Saturday weekend and that offsite parking arrangements will be made. Based on square footage of the performance hall the attendees at events could be up to 1500 people at one time. Studio and concert usage of the facility will be limited in order to avoid interfering with tour attendance.

Future Activities – While future plans have not been developed, some of the additional potential uses or ancillary operations for Paisley Park include additional parking and potential development and completion of the exterior round building. We may also develop onsite limited occupancy lodging in the future.

See Attached Facility Map



entrance expansion

proposed lot extension

proposed tent

Paisley Park

proposed awning