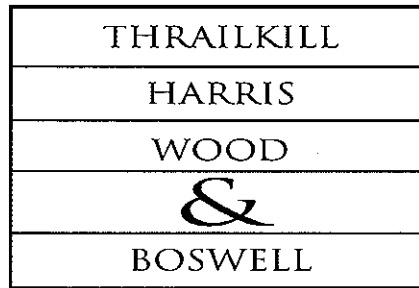


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November 9, 2007

Mr. Chase Cole
Waller Lansden Dortch and Davis
511 Union Street
Nashville, TN 37219

Dear Chase:

For several weeks, the local ownership group and the Metropolitan Government have negotiated in good faith in response to the local ownership group's request for modifications to the existing License and Use Agreement and Operating and Management Agreement currently in place between the Sports Authority and the Nashville Predators and Powers Management respectively (the "Existing Agreements"). The Mayor is grateful for the efforts of the local investors. They have demonstrated a commitment to our community that exemplifies good citizenship.

The Mayor believes we have come to the point in our discussions at which the stakeholders of Metropolitan Nashville should be advised of the status of this matter. The Team and its players, the hockey fans, those who have been working diligently to sell tickets, and our taxpayers should know the important issues being considered by the local ownership group and the Mayor.

The following deal points represent a very fair and reasonable proposal that the Mayor can support to assist local ownership with the acquisition of the Team and operation of the arena. Of course, any modifications to the Existing Agreements must be considered and approved by the Sports Authority and the Metropolitan Council. We hope that in conjunction with all of its investors and lenders, the local ownership group will take the necessary steps to make this transaction a reality on the basis described on the attached Term Sheet.

As you are aware, the Mayor's guiding principles in considering any changes to the Existing Agreements are straightforward and have not changed:

1. For a period of five years, the Metropolitan Government would continue to provide the same operating support to the arena as that provided during the 2006 operating year, \$3,788,000.
2. For a period of five years, the local ownership group would cap the arena operating losses for which the Sports Authority or Metropolitan Government is responsible at the 2006 level.
3. For a period of five years, the Metropolitan Government would provide an additional \$3,000,000 of new resources in the form of management fees, rent reduction, and other modifications to the Existing Agreements.
4. In addition, in order to provide additional incentives for improved performance at the arena, the Metropolitan Government would provide an incentive management fee of 50% of the revenues above 2006 levels for a period of five years. As we have agreed, you would provide a "fairness" opinion from an acceptable expert to confirm that these financial arrangements are fair and reasonable to the Metropolitan Government and consistent with other similar arenas.
5. In exchange for these financial commitments, the Predators would commit to continue playing hockey in Nashville for a period of five years. You have asked that this commitment be shortened to three years if the losses sustained by the local ownership group are so substantial that they cannot continue. At your request and in order to assist local ownership address the numerous financial pressures that it faces, the Mayor has agreed to support a commitment of only three years of additional hockey in Nashville so long as the local ownership group commits not to leave after the three year period unless it has incurred a cumulative cash loss of at least \$20,000,000 and the citizens, businesses and hockey fans have failed to purchase at least an average of 14,000 tickets per game.
6. If the team exercises its right to terminate the License and Use Agreement at any time during the next five years, an early termination reimbursement fee will be paid to the Sports Authority and Metropolitan Government sufficient to reimburse the citizens of Nashville for all of the additional funds provided under paragraphs 1 and 3 above. The individual investors would personally guarantee the obligations of the Predators and Powers Management.

In summary, the Mayor is willing to support a proposal which provides \$3,000,000 in new resources for a total of over \$6,700,000 per year for five years for the operation of the arena, plus incentive payments for improved performance through the efforts of the local ownership group. In exchange, we have merely requested that the local owners commit to playing hockey in Nashville for at least three years and, should their efforts be unsuccessful, reimburse the Metropolitan Government for the additional funding it provided. The attached Term Sheet describes the terms in more detail.

As you know, the structure of this transaction must be approved by bond counsel for the Metropolitan Government because the arena has been funded in material part by general obligation bonds issued by the Metropolitan Government. Any future significant capital expenditures required at the arena are likely to require the use of general obligation bonds. While it has been time consuming and at times frustrating for the parties to address this legal issue, it was entirely necessary in order for the Mayor to protect Nashville's future and anticipate the future needs of the arena. The deal points summarized above and contained on the Term Sheet have been approved by bond counsel, and the Mayor agrees with the advice of the lawyers on this point.

We appreciate the effort, time and expense that have been devoted to this matter by the local ownership group and trust that the local ownership group similarly appreciates the continuing efforts of the Metropolitan Government to assist. We believe it is now time to either move forward under the terms summarized above and described on the Term Sheet or for the local ownership group to decide whether it will complete its acquisition of the Predators understanding that it will operate in Nashville under the Existing Agreements.

I look forward to your response.

Very truly yours,

THRAILKILL HARRIS WOOD & BOSWELL, PLC

By: 
Larry T. Thrailkill

LTT/cz

TERM SHEET
November 9, 2007

1. **Base Management Fee:** Annual fee of \$2,000,000 paid to Powers in equal monthly installments. Powers must provide a "fairness" opinion from a mutually acceptable expert concluding the Base Management Fee and the Incentive Management Fee (described in paragraph 2 below), when taken in conjunction with all other terms of the arrangement, is fair and reasonable to the Sports Authority and the Metropolitan Government.
2. **Incentive Management Fee:** An incentive management fee equal to 50% of the amount by which the revenue from items 2a-2i in any Operating Year exceed, in the aggregate, 2006 levels ("Excess Revenues"). This Incentive Management Fee will be paid on or before October 31 following the end of the Operating Year for which the fee applies and will not exceed \$2,000,000 for any Operating Year.
 - a. Local sales tax collections from arena events distributed to Metropolitan Government. The local sales taxes shall be computed based upon certified copies of sales tax returns filed by Powers Management and the concessionaire for the arena. In determining local sales taxes, there shall be excluded:
 - i. any allocations from the State
 - ii. any portion of the sales tax dedicated to education (currently 2/3rds of the local option sales tax)
 - iii. the administration fee charged by the State of Tennessee (currently 1.125%)
 - b. Any hockey event sales tax allocations to the Sports Authority from the State to the extent of such allocations.
 - c. Any non-hockey event sales tax allocations to the Sports Authority from the State.
 - d. All seat use charges for an Operating Year. Seat use charges shall be based upon the aggregate seat use charges on the audited financial statements for the Sommet Center and the Team's audited financial statements (based upon certification by the Team as to the amount of such charges).
 - e. Facility rent. (excluding any rent for the Reserved Areas).
 - f. Food and beverage revenue.
 - g. Advertising, parking and other revenue.
 - h. Merchandising revenue.
 - i. Ticketmaster royalties.
3. **Operating Loss Cap:** Powers shall be responsible for all operating losses in excess of \$3,788,262 ("Loss Cap") as determined on the audited financial statement for the Sommet Center. The Loss Cap shall be adjusted by the change in the CPI not to exceed 5% in any Operating Year. The Sports Authority shall fund the Working Capital Fund monthly so that the amount in such fund on the first day of each month shall equal one-twelfth of the Loss Cap amount. For purposes of calculating the operating loss to determine whether the Loss Cap has been exceeded in any Operating Year, the following adjustments shall be made to the audited statements:

- i. The Management Fee shall be deemed to be \$235,092.
 - ii. The Team Rent shall be deemed to be \$1,023,037.
 - iii. Revenues shall be deemed to include \$170,000 (2006 fiscal year) from the 5% share of Team Concession Sales previously paid to the Sports Authority under the License and Use Agreement.
 - iv. Revenues shall be deemed to include \$289,000 (2006 fiscal year) from the previous allocation to the Sports Authority for Advertising under the License and Use Agreement.
 - v. Any incentive fee payment shall be omitted from expenses.
 - vi. Any Excess Revenues shall be omitted as revenues.
4. **Other Obligations:** The Sports Authority shall continue to be responsible insurance pursuant to the existing agreements, capital expenditures and debt service on bonded indebtedness. Team and Powers will continue to be responsible for all obligations in the existing agreements not specifically addressed herein.
5. **Seat Use Charges:** Seat use charges will be fixed at current levels. Powers and/or the Team may request increases in the seat use charge for consideration and approval by the Sports Authority and the Metropolitan Council.
6. **Team Rent:** Team rent shall be reduced by \$750,000 per year from the 2006 amount. The Team shall provide to the Sports Authority a "fairness" opinion from a mutually acceptable expert stating that the Team rent as reduced is fair and reasonable to the Sports Authority and the Metropolitan Government considering all other terms of the arrangement.
7. **Advertising and Concession Revenues:** The License and Use Agreement will be revised to reflect that Team will retain all revenues from Advertising and Concessions Sales. In 2006 the combined revenues from these sources totaled \$459,000.
8. **Termination Rights:**
 - a. **Sports Authority:** The Sports Authority shall have the right to terminate the License and Use Agreement and the Operating and Management Agreement:
 - i. Effective June 30, 2014, by giving notice of such termination on or before December 31, 2012.
 - ii. Effective June 30, 2021, by giving notice of such termination on or before December 31, 2019.
 - b. **Sports Authority:** The Sports Authority shall have the right to reduce the Base Management Fee to \$250,000 per year, increase the Team rent by \$750,000 per year and cease paying the Incentive Management Fee for any Operating Year beginning after June 30, 2012, by giving notice of such reduction or cessation at least 60 days prior to the first day of such Operating Year.
 - c. **Team:** Except as described in subparagraph 8c(i) below, the Team shall not have the right to terminate the License and Use Agreement on or before July 1, 2012.
 - i. If for any Operating Year ending on June 30, 2010 or thereafter, the aggregate, consolidated, cumulative cash operating loss incurred by the Team and Powers exceeds \$20,000,000 and the

average paid attendance for the regular season within the Operating Year then ending is less than 14,000 per game (the "Termination Prerequisites"), the Team and Powers may terminate their respective agreements (and both must do so) by giving written notice of such termination on or before May 1 of the Operating Year during which the Termination Prerequisites occurred effective on the last day of such Operating Year. If a termination notice is not timely given, no future termination may be based upon those Termination Prerequisites.

- ii. For any season after the Sports Authority has reduced the Base Management Fee and terminated payment of the Incentive Management Fee, the Team shall have the right to terminate if the regular season ticket sales average less than 14,000 per game. Notice of termination must be given within by May 1 of the Operating Year in which the Termination Prerequisites occurred and will be effective at the end of such Operating Year.
 - iii. A year in which a strike or lock-out occurs will not be counted for purposes of determining whether attendance at regular season games has averaged less than 14,000 per game.
 - iv. If the Team exercises its right under (i) above with regard to the 2011 Operating Year, it shall immediately pay the Sports Authority an Early Termination Reimbursement of \$20,000,000.
 - v. If the Team exercises its right under (i) above with regard to the 2012 Operating Year, it shall immediately pay the Sports Authority an Early Termination Reimbursement of \$25,000,000.
 - vi. If the Team exercises its right under (i) above for any Operating Year after the 2012 Operating Year or under (ii) above, it shall immediately pay the Sports Authority an Early Termination Reimbursement of \$10,000,000.
9. **Performance Fees:** The Sports Authority will pay Powers performance fees for all years prior to the effective date in the amount of \$682,000. No further performance fees will be paid.
10. **Personal Guarantees:** Each of the individual owners (direct or indirect) will jointly and severally guarantee all obligations of the Team and Powers under the License and Use Agreement and the Operating and Management Agreement. Each guarantor's share of the guarantee will be limited to that owner's percentage interest ownership multiplied by 125% multiplied by \$25,000,000. Each owner shall provide a certified financial statement for review and approval by a representative of the Sports Authority and will provide updated financial statements annually on or before August 1 of each year.
11. **Ticket Prices:** Ticket prices for NHL games shall be below the average NHL ticket prices.
12. **Naming Rights:** The Team shall have naming rights for the Arena and all portions thereof other than Reserved Areas.
13. **Ownership:** The ownership of the Team and Powers shall be identical at all times. Any proposed change of ownership of the Team or Powers, whether by

asset sale, entity purchase or otherwise, shall require the prior consent of the Sports Authority. You have volunteered to assure the Sports Authority and the Metropolitan Government that residents of Middle Tennessee will hold a majority of the equity and voting rights of the Team and Powers.

14. **Releases:** On the Effective Date, The Metropolitan Government, the Sports Authority, Craig Leipold and his affiliates, Powers and the Team shall execute and deliver mutual releases for all claims arising before or existing on the Effective Date other than obligations or agreements contained in the License and Use Agreement and Operating and Management Agreement as amended.
15. **Cross Defaults:** A default under either the License and Use Agreement or the Operating and Management Agreement shall be a default under the other agreement.
16. **Metro Use:** Metro and the Sports Authority shall have the right to all Reserved Areas and shall have the right to use the Arena for non-profit functions as contemplated by the existing agreements.
17. **Liquidated Damages:** The Liquidated Damages Amount shall be \$50 million on or before December 1, 2010 and \$35 million thereafter.
18. **Net Worth:** The Team shall maintain a net worth equal to or greater than the Liquidated Damages Amount. For purposes of computing the net worth, the net worth shall be computed as the fair market value of the Team minus all Team liabilities. For this purpose, the Team shall be valued at the appraised value based upon an appraisal dated no more than two years prior to the determination date by an appraiser reasonably acceptable to the Sports Authority and Metropolitan Government.