

INTERLOCAL COOPERATION AGREEMENT

THIS AGREEMENT (the "Agreement") entered into as of the \_\_\_\_ day of July, 2007 (but to be effective as hereinafter indicated) by and among THE INDUSTRIAL DEVELOPMENT BOARD OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY, a Tennessee public non-profit corporation (the "IDB"), THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE, a Tennessee municipal corporation (the "Metropolitan Government"), and the STATE OF TENNESSEE, acting through its Department of Revenue and its Department of Finance and Administration (the "State").

WITNESSETH:

WHEREAS, the Metropolitan County Council (the "Council") of the Metropolitan Government has under consideration an ordinance authorizing the IDB to negotiate and accept payments in lieu of ad valorem taxes with respect to the property described in Exhibit A attached hereto upon which the Opryland Hotel and Convention Center is located and upon which an addition will be constructed; and

WHEREAS, it is contemplated that the IDB will issue its revenue bonds to finance a portion of said addition to the Opryland Convention Center and Hotel and that the bonds will be payable out of a portion of the payments in lieu of ad valorem taxes with respect to the Opryland Convention Center and Hotel; and

WHEREAS, the Council has under consideration a resolution designating a certain area (the "Gaylord Tourism Development Zone") in which the Opryland Convention Center and Hotel is located as a "tourism development zone" and a "secondary tourism development zone" within the meaning of T.C.A. Section 7-88-103, and authorizing the filing of an application with the State Department of Finance and Administration to certify such area as a tourist development zone in accordance with T.C.A. Section 7-88-108; and

WHEREAS, upon approval of said application by the Commissioner of Finance and Administration and the State Building Commission, certain incremental state and local sales taxes generated within the Gaylord Tourism Development Zone are to be deposited in the general fund of the Metropolitan Government as provided in T.C.A. Section 7-88-106(c); and

WHEREAS, the Council has under consideration an ordinance imposing an additional hotel occupancy tax within the Gaylord Tourism Development Zone of one percent (1%) and the receipts from such tax are to be deposited in the general fund of the Metropolitan Government as provided in T.C.A. Section 7-4-102(b)(3); and

WHEREAS, the Council has under consideration an ordinance directing a portion of two points of the current hotel occupancy tax within the Gaylord Tourism Development Zone to be deposited to the general fund of the Metropolitan Government as provided in T.C.A. Sections 7-4-110(f) or 7-4-110(g); and

WHEREAS, the parties desire to provide a mechanism whereby the receipts from the payment in lieu of taxes mentioned above and the taxes mentioned above can be applied as indicated above and any excess receipts paid to the State of Tennessee and the Metropolitan Government.

NOW, THEREFORE, the parties agree as follows:

ARTICLE I

Section 1.1. Definitions. In addition to the terms defined hereinabove, when used in this Agreement, the words and phrases set forth below shall be defined as follows:

"Addition" means the approximately 400,000 square feet of meeting and prefunction additions, along with the associated public and non-public spaces, and 400 room hotel addition to the Opryland Convention Center and Hotel currently estimated to cost approximately \$400,000,000.

"Additional Revenues Account" shall mean an account held by the Escrow Agent into which the Incremental Sales Taxes, the New Hotel Occupancy Tax and the Redirected Hotel Occupancy Tax shall be deposited.

"Base Amount" shall mean for each year the difference between (1) the product derived by multiplying (a) the assessed value of the Project for the year 2007 increased by the Hotel Index for such year, by (b) the tax rate which would be applicable to the Project in such year if it were privately owned, and (2) any Leasehold Tax paid by Opryland Nashville for such year.

"Bond Trustee" shall mean the trustee so designated in the resolution of the IDB authorizing the Bonds.

"Bonds" means the bonds to be issued by the IDB in order to finance a portion of the Addition, the principal amount of which shall not exceed the sum of (1) \$80,000,000, (2) capitalized interest, (3) any required reserve funds, and (4) costs of issuance.

"Escrow Agent" shall mean U. S. Bank National Association.

"Hotel Index" shall mean the ratio of (1) the assessed value of the Specified Hotels for any year, to (2) the assessed value of the Specified Hotels for the year 2007; provided, however, that if the assessed value of any such hotel is increased as a result of improvements or additions thereto, such hotel shall be excluded from the calculation of the Hotel Index and replaced by a comparable hotel located in Davidson County mutually agreeable to the Metropolitan Government and Opryland Nashville.

"Incremental Sales Taxes" means the incremental state and local sales taxes derived from the Gaylord Tourist Development Zone which are payable to the general fund of the Metropolitan Government pursuant to the provisions of Tennessee Code Annotated Section 7-88-106(b).

"Leasehold Tax" means any ad valorem tax on Opryland Nashville's leasehold interest in the Project.

"New Hotel Occupancy Tax" means the receipts from the 1% percent hotel occupancy tax derived from the Gaylord Tourist Development Zone payable to the general fund of the Metropolitan Government pursuant to Tennessee Code Annotated Section 7-4-102(b)(3).

"Opryland Nashville" means Opryland Nashville Hotel, LLC, a Delaware limited liability company.

"Pilot Account" shall mean an account held by the Escrow Agent into which the Pilot Payments shall be deposited.

"Pilot Agreement" means the Payment in Lieu of Tax Agreement between the IDB and Opryland Nashville providing for payments in lieu of taxes with respect to the Project.

"Pilot Payments" means the payments in lieu of taxes required to be made from time to time in accordance with the terms of the Pilot Agreement.

"Project" shall mean the land described in Exhibit A attached hereto, together with all improvements from time to time located thereon and all personal property located thereon from time to time that is subject to ad valorem taxation.

"Receipts" shall mean all payments received by the Escrow Agent pursuant to Sections 1.3, 1.4, 1.5 or 1.6 hereof, together with investment earnings thereon.

"Redirected Hotel Occupancy Tax" means the receipts derived from two points of the existing five point hotel occupancy tax derived from the Gaylord Tourist Development Zone payable to the general fund of the Metropolitan Government pursuant to the provisions of Tennessee Code Annotated Sections 7-4-110(f) or 7-4-110(g).

"Specified Hotels" shall mean (1) Loews Vanderbilt Plaza Hotel, (2) Renaissance Nashville Hotel, (3) Sheraton Hotel Nashville Downtown, (4) Marriott Nashville Airport, and (5) Sheraton Hotel Music City.

Section 1.2. Appointment of Escrow Agent. The parties hereby appoint U.S. Bank National Association to serve as Escrow Agent hereunder.

Section 1.3. Pilot Payments. The IDB shall cause Opryland Nashville to make Pilot Payments directly to the Escrow Agent in accordance with the Pilot Agreement, and the Escrow Agent shall deposit such payments in the Pilot Account.

Section 1.4. Incremental Sales Taxes. The State shall pay the Incremental Sales Taxes to the Escrow Agent annually at such time as such payments would otherwise be payable to the Metropolitan Government in accordance with T.C.A. Section 7-88-106(b), and the Escrow Agent shall deposit such payments in the Additional Revenues Account.

Section 1.5. New Hotel Occupancy Tax. The Metropolitan Government shall pay to the Escrow Agent the New Hotel Occupancy Tax received by it each month within 10 working days of receipt by Metropolitan Government of the proceeds from the tax and the necessary information to properly determine the correct amount of the New Hotel Occupancy tax and the Escrow Agent shall deposit such payments in the Additional Revenues Account.

Section 1.6. Redirected Hotel Occupancy Tax. For the fiscal year ending June 30, 2009 and all subsequent fiscal years during the life of this agreement, the Metropolitan Government shall pay to the Escrow Agent the Redirected Hotel Occupancy Tax

within 30 working days of a final determination by Metropolitan Government of the amount, if any, Redirected Hotel Occupancy Tax it received during the preceding fiscal year, and the Escrow Agent shall deposit such payments in the Additional Revenues Account.

Section 1.7. Investments Authorized. The Escrow Agent is hereby authorized and directed to invest the Receipts in investments authorized pursuant to Tennessee Code Annotated Section 6-56-106 maturing not later than the last day of February next following the making of such investments.

Section 1.8. Fees of Escrow Agent. Any fees charged by the Escrow Agent shall be the responsibility of Opryland Nashville.

Section 1.9. Termination. This Agreement shall terminate at such time as the Bonds have been paid in full. Any money the Escrow Agent is holding at such time shall be distributed to the State and the Metropolitan Government in accordance with Sections 2.2 or 3.3, whichever is applicable.

Section 1.10. Interlocal Cooperation Agreement. The parties are entering into this Agreement pursuant to the provisions of Tennessee Code Annotated Section 12-9-104.

Section 1.11. Effective Date. This Agreement shall become effective July 1, 2008; provided, however, that the provisions of Sections 1.3, 1.4 and 1.5 hereof shall not become effective until the first day of the calendar month following the month in which the Bonds are issued. If the Bonds have not been issued before December 31, 2011, this Agreement shall terminate and any funds then held by the Escrow Agent shall be distributed in accordance with Section 2.2 hereof.

Section 1.12. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed, shall be deemed to be original and all of which, when taken together, shall constitute but one and the same agreement.

## ARTICLE II

It is the current intent of Opryland Nashville that interest on the Bonds be exempt from federal income taxation. If the bond counsel for the Bonds is of the opinion that the provisions of this Article II will not adversely affect the tax-exempt status of the Bonds, or Opryland Nashville decides that it is willing for the interest on the Bonds to be included in gross income for federal income tax purposes, then the provisions of this Article II shall be applicable and the provisions of Article III below shall not be applicable.

Section 2.1. Payments with Respect to Bonds. The Escrow Agent shall on March 1 of each year beginning with the year after the year in which the Bonds are issued determine what portion of the funds in the Pilot Account is needed for debt service and required reserves for the Bonds for the twelve-month period ending on the last day of February of the following year and pay such amount to the Bond Trustee, but the Escrow Agent shall not use funds in the Additional Revenues Account to make such payment.

Section 2.2. Payments to the State and the Metropolitan Government. (a) After making the payment to the Bond Trustee described in Section 2.1 above, the Escrow Agent shall immediately thereafter pay the funds on deposit in the Additional Revenues Account and any remaining funds in the Pilot Account to the State and to the Metropolitan Government for deposit in its general fund in accordance with the provisions of this Section 2.2.

(b) The Escrow Agent shall first pay to the State and the Metropolitan Government their respective shares of the balance; provided, however, that the amount paid to the State pursuant to this Section 2.2(b) shall not exceed the actual amount of the State portion of the Incremental Sales Tax during the 12-month period ending the last day of February. The share of the State for purposes of this Section 2.2(b) shall be the percentage the State portion of the Incremental Sales Tax received during the 12-month period ending the last day of February bears to the total Incremental Sales Tax received during such 12-month period. The share of the Metropolitan Government shall be the part which is not the share of the State.

(c) If any balance remains in the Additional Revenues Account or the Pilot Account after making the payments described in Section 2.2(b) above, such balance shall be paid to the Metropolitan Government.

Section 2.3. Obligation of Opryland Nashville for Deficiency. In the event that for any year the payment to the Metropolitan Government under Section 2.2 above is less than the Base Amount for such year, Opryland Nashville shall pay such deficiency to the Metropolitan Government.

In the event Opryland Nashville is for any year required to make a payment to the Metropolitan Government pursuant to this Section 2.3, it shall, during any subsequent year in which the amount payable to the Metropolitan Government in such subsequent year pursuant to Section 2.2 above exceeds the Base Amount for such subsequent year, be entitled to be reimbursed out of such excess before payment is made to the Metropolitan Government.

ARTICLE III

In the event that the provisions of Article II shall not be applicable, the provisions contained in this Article III shall be applicable.

Section 3.1. Payments of Base Amount. The Escrow Agent shall on March 1 of each year beginning with the year after the year in which the Bonds are issued pay to the Metropolitan Government for deposit in its general fund an amount equal to the Base Amount. The Escrow Agent shall first use funds in the Additional Revenues Account for this purpose and if such funds are not sufficient, shall then use funds in the Pilot Account to the extent necessary.

Section 3.2. Payments with Respect to Bonds. After making the payment to the Metropolitan Government described in Section 3.1 above, the Escrow Agent shall determine what portion of the funds then remaining in the Pilot Account is needed for debt service and required reserves for the Bonds for the twelve-month period ending on the last day of February of the following year and pay such amount to the Bond Trustee, but the Escrow Agent shall not use funds in the Additional Revenues Account to make such payment.

Section 3.3. Payments to the State and the Metropolitan Government. (a) After payment to the Metropolitan Government described in Section 3.1 above and the payment to the Bond Trustee described in Section 3.2 above, the Escrow Agent shall immediately thereafter pay any remaining funds on deposit in the Additional Revenues Account and any remaining funds in the Pilot Account to the State and to the Metropolitan Government for deposit in its general fund in accordance with the provisions of this Section 3.3.

(b) The Escrow Agent shall first pay to the State and the Metropolitan Government their respective shares of the balance; provided, however, that the amount paid to the State pursuant to this Section 3.3(b) shall not exceed the actual amount of the State portion of the Incremental Sales Tax during the 12-month period ending the last day of February. The share of the State for purposes of this Section 3.3(b) shall be the percentage the State portion of the Incremental Sales Tax received during the 12-month period ending the last day of February bears to the total Incremental Sales Tax received during such 12-month period. The share of the Metropolitan Government shall be the part which is not the share of the State.

(c) If any balance remains in the Additional Revenues Account or the Pilot Account after making the payments described in Section 3.3(b) above, such balance shall be paid to the Metropolitan Government.

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

THE INDUSTRIAL DEVELOPMENT BOARD  
OF THE METROPOLITAN GOVERNMENT OF  
NASHVILLE AND DAVIDSON COUNTY

By: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF TENNESSEE

By: \_\_\_\_\_  
Title: \_\_\_\_\_

SIGNATURES CONTINUE ON FOLLOWING PAGES

STATE OF TENNESSEE

DEPARTMENT OF REVENUE

By: \_\_\_\_\_  
Commissioner

DEPARTMENT OF FINANCE AND  
ADMINISTRATION

By: \_\_\_\_\_  
Commissioner

APPROVED:

\_\_\_\_\_  
Comptroller of the Treasury

APPROVED AS TO FORM AND  
LEGALITY:

\_\_\_\_\_  
Attorney General and Reporter

Signature Page for Interlocal Cooperation Agreement

THE METROPOLITAN GOVERNMENT OF  
NASHVILLE AND DAVIDSON COUNTY

By: \_\_\_\_\_  
Metropolitan Mayor

ATTEST:

\_\_\_\_\_  
Metropolitan Clerk

Date: \_\_\_\_\_

APPROVED AS TO AVAILABILITY  
OF FUNDS:

\_\_\_\_\_  
Mr. David Manning, Director of Finance

APPROVED AS TO FORM AND  
LEGALITY:

\_\_\_\_\_  
Metropolitan Attorney

JOINDER OF OPRYLAND NASHVILLE HOTEL, LLC

Opryland Nashville Hotel, LLC joins herein for the purpose of agreeing to be bound by the provisions of Sections 1.8 and 2.3 of the foregoing Agreement.

OPRYLAND NASHVILLE HOTEL, LLC

By: \_\_\_\_\_  
Title: \_\_\_\_\_

JOINDER OF ESCROW AGENT

U.S. Bank National Association joins herein for the purpose of agreeing to serve as the Escrow Agent under the foregoing Agreement.

U.S. BANK NATIONAL ASSOCIATION

By: \_\_\_\_\_  
Title: \_\_\_\_\_