

EXHIBIT A

Form of Payment In-Lieu of Tax Agreement

(attached)

## PAYMENT IN LIEU OF TAX AGREEMENT

THIS PAYMENT IN LIEU OF TAX AGREEMENT (this "Agreement") is entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2017 by and between RHP HOTELS, LLC, a Delaware limited liability company ("Ryman"), and THE INDUSTRIAL DEVELOPMENT BOARD OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY, a public, not-for-profit corporation organized under the laws of the State of Tennessee (the "Board").

In consideration of the premises set forth in Section 1 of this Agreement, the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Preliminary Statements. Among the matters of mutual inducement which have resulted in the execution of this Agreement are the following:
  - a. Ryman, a subsidiary of Ryman Hospitality Properties, Inc., owns the Opryland Resort and Convention Center, a major resort-hotel and convention center (the "Project") within the boundaries of The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government").
  - b. Ryman has announced its intention to construct a \$90 million addition to the Project in the form of an indoor/outdoor waterpark (the "Waterpark Addition").
  - c. According to an economic impact study prepared by Dr. William F. Fox at the University of Tennessee's Boyd Center for Business and Economic Research, the Waterpark Addition will significantly benefit the economies of the Metropolitan Government and the State of Tennessee. During construction, the \$90 million Waterpark Addition is projected to generate 1,287 temporary jobs, \$185 million in economic impact, and a one-time increase of \$8.4 million in state and local taxes. Once complete and stabilized, the waterpark's operations are expected to produce a total, annual economic output of \$57.1 million, create 699 full time jobs and increase state and local tax revenue by \$4.6 million annually.
  - d. The Board intends to enter into a lease agreement with Ryman (the "Lease") for the real property comprising the Project, including the Waterpark Addition (the "Property").
  - e. The Board is authorized by the laws of the State of Tennessee, specifically, inter alia, Tennessee Code Annotated Section 7-53-305, being a provision of the Tennessee Industrial Development Corporations Act (the "Act"), to negotiate and accept payments in lieu of ad valorem taxes. Pursuant to such authority and in furtherance of this Agreement, the Board intends to acquire the Project and enter into the Lease.
  - f. Pursuant to Ordinance No. 2017-\_\_\_\_ (the "Ordinance"), the Metropolitan County Council (the "Council") of the Metropolitan Government has delegated to the Board the authority to negotiate and accept payments in lieu of ad valorem taxes from Ryman with respect to the Project.

- g. The Board is the instrumentality of the Metropolitan Government and is performing a public purpose on its behalf.
  - h. The Board and the Council each has found, based upon information and factors deemed relevant by them, that the Board's agreement to accept payments in lieu of taxes from Ryman with respect to the Project will be in furtherance of the Board's public purposes of maintaining and increasing employment opportunities (as set forth in Tenn. Code Ann. § 7-53-102) and other public purposes of the Board set forth in the Act and described in the Ordinance.
  - i. The Board hereby acknowledges that the execution and delivery of this Agreement has been and is an essential and material inducement to Ryman in its determination to undertake the Waterpark Addition to the Project within the Metropolitan Government.
2. Nature of the Payments. The payments in lieu of ad valorem taxes (as further defined in Section 3 hereof, the "Payments") provided for herein shall be paid by Ryman in lieu of all ad valorem, real property or similar taxes or assessments, whether presently in effect or hereafter imposed on any portion of the Project or any component thereof (including, without limitation, any tax on the real property, enhancements, additions, expansions, improvements, buildings, and any other tangible real property from time to time subject to the Lease) during the term of this Agreement, by or on behalf of the Metropolitan Government, any school district located within the Metropolitan Government, or any subdivision or instrumentality of any of them or any of their respective successors. The Payments will relate to the Project in its scope and configuration as of the effective date of the Lease, and to all replacements, expansions, additions, enhancements and improvements subjected to the Lease during the term thereof. The Board will cooperate with Ryman to allow Ryman to obtain any applicable investment tax or other credits available under federal and state tax laws.
3. Amount of Payments.
- a. Subject to the provisions of Sections 3(b)-(h) hereof, the amount of the Payments that Ryman shall be required to make hereunder with respect to the Property with respect to any calendar year during the Term of this Agreement (as defined at Section 4 below) shall be as follows:
    - i. For each year, commencing with the 2017 calendar year and ending with the 2025 calendar year, an amount equal to the lesser of the Standard Tax or the 2017 Property Tax Payment for such year; and
    - ii. For each year after December 31, 2025, an amount equal to 100% of the Standard Tax payable with respect to the Property for such year.
  - b. As used herein, the term "Standard Tax" shall mean the amount of ad valorem property tax that Ryman would be required to pay with respect to a given tax year with respect to the Property if Ryman held legal title to such property for ad valorem property tax purposes. In determining the Standard Tax, Ryman shall be entitled to any and all exemptions, credits, refunds, etc., to which it otherwise would be entitled were it the holder of legal title to the Project, and permitted to challenge the assessment of any real property that is then subject to the payment

in lieu of tax arrangement authorized hereby in the same manner as if Ryman held legal title to the Project for ad valorem property tax purposes. As used herein, the term "2017 Property Tax Payment" shall mean the amount of ad valorem property tax that Ryman would have been required to pay with respect to the 2017 tax year with respect to the real property that is then subject to the payment in lieu of tax arrangement authorized hereby if Ryman held legal title to such property for ad valorem property tax purposes.

- c. The calculation of the amount of the Payment pursuant to this Section 3 shall apply to any of the real property described in Exhibit A hereto, including all improvements thereon from time to time subjected to the Lease. The Board agrees that, upon the request of Ryman to exclude a portion of the Property from this PILOT Agreement, including without limitation the portion of the Property identified as Lot 2A in Exhibit B hereto, it will take all reasonable steps to return title to such portion of the Property to Ryman and amend the Lease to exclude such portion of the Property from the terms thereof; provided that all costs of the foregoing shall be borne by Ryman. Following the exclusion of a portion of the Property from the Lease and this PILOT Agreement as described in the preceding sentence, the "2017 Property Tax Payment" for all future tax years shall be adjusted by reducing the amount of the 2017 Property Tax Payment by an amount equal to the property taxes that would have been payable with respect to the excluded portion of Property for the 2017 tax year, based on the condition of such portion of Property as of the date of this Agreement. The parties agree to cooperate in good faith and use the resources of the Metropolitan Government's assessor's office to determine the property taxes that would have been payable with respect to the excluded portion of Property for the 2017 tax year. In addition, Ryman agrees that, following the completion and occupancy of any expansion of the Project other than the Waterpark Addition, the "2017 Property Tax Payment" for all future tax years shall be adjusted by increasing the amount of the 2017 Property Tax Payment by an amount equal to the property taxes that would have been payable with respect to such expansion. As used herein, the term "expansion" means any addition of new facilities (as opposed to the renovation of existing facilities), the cost of construction of which is not less than \$30 million. Ryman agrees to provide to the Metropolitan Government and the Board such information as may be requested from time to time regarding facility construction that might qualify as an expansion in order to determine whether this provision is applicable. The parties agree to cooperate in good faith and use the resources of the Metropolitan Government's assessor's office to determine the property taxes that would have been payable with respect to any expansion.
- d. The amount of Payments for any portion of the Project shall be prorated on a daily basis for any year in which this Agreement is in effect (or otherwise applicable) for less than the entire year with respect to such portion of the Project.
- e. Any disputes with respect to the determination of the amount of the Payments to be made hereunder for a given year shall be resolved in accordance with the procedures for resolving disputes regarding property taxes then in effect as though Ryman were the holder of the legal title to the Project and the Project were subject to taxation. It is specifically understood and agreed that Ryman and

the Board shall have recourse to the State Board of Equalization with respect to any determination of the amount of the Payments to be made hereunder and/or Ryman or the Board may file a declaratory judgment action or other action in the Chancery Court of Davidson County, Tennessee, or in other courts of competent jurisdiction in Davidson County, Tennessee, with respect to such matters or other matters arising under this Agreement. The parties acknowledge and agree that the preceding sentence is subject to the jurisdictional limitations of the State Board of Equalization and the Chancery Court and other courts sitting in Davidson County, Tennessee, and that this Agreement does not obligate such Board or any such court to accept jurisdiction over matters as to which it has no lawful jurisdiction.

- f. All Payments hereunder with respect to any calendar year shall be due on or before the last day of February during the following year.
  - g. In the event that the leasehold interest of Ryman in the Property is subject to ad valorem taxation, the amount of such tax shall be a credit against the Payment due from Ryman with respect to the year for which such tax is payable and if the amount of such tax exceeds the amount of the Payment which would otherwise be due from Ryman for the year in question, the amount of such excess shall be a credit against Payments due from Ryman in subsequent years in chronological order.
  - h. Notwithstanding anything in subsection (a) or (b) to the contrary, if the Waterpark Addition is not substantially complete on or before September 30, 2019, the payment for each subsequent calendar year through 2025 will be 100% of the Standard Tax.
4. Term. This Agreement shall become effective and its term (the "Term") shall begin as of the effective date of the Lease. This Agreement and its Term shall expire upon the earlier to occur of either (a) Ryman or its assignee taking legal title to the Property by the exercise of its purchase option under the Lease or (b) the Lease otherwise having expired and not been renewed or replaced.
5. Application of Payments. All Payments due hereunder shall be paid to the Metropolitan Department of Finance.
6. Representations and Warranties.
- a. Ryman hereby represents and warrants that (i) it is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite power and authority to enter into this Agreement, (ii) this Agreement and the transactions contemplated hereby have been duly and validly authorized by all necessary action on the part of Ryman, and (iii) this Agreement constitutes the valid and binding obligation of Ryman, enforceable against Ryman in accordance with the terms hereof.
  - b. The Board hereby represents and warrants that (i) it is a public corporation duly organized and validly existing under the laws of the State of Tennessee and has all requisite corporate power and authority to enter into this Agreement, (ii) this Agreement and the transactions contemplated hereby have been duly and validly

authorized by all necessary corporate, governmental or other action on its part, and (iii) this Agreement constitutes the valid and binding obligation of the Board, enforceable against the Board in accordance with the terms hereof.

7. DBE and Workforce Development Programs.

- a. Ryman shall have a goal to award, and endeavor to award, at least 20% of the total dollars of the contracting and related work for the Waterpark Addition to certified Diversified Business Enterprises ("DBEs"). A DBE is a business that is at least 51% owned or controlled by minority group members or women. As used in this subsection, the term "contracting and related work" includes any or more of the following roles or positions with respect to the Waterpark Addition: (i) general contractor, (ii) subcontractor, or (iii) supplier.
- b. Ryman shall utilize the Metropolitan Government's Workforce Development Program to ensure reasonable efforts are made to endeavor to hire or utilize residents of the Metropolitan Government for the Waterpark Addition.
- c. Ryman shall submit to the Board, within 60 days of completion of the Waterpark Addition, a report of the Developer's compliance with the subsections (a) and (b) above, including the percentage of work performed by DBEs and a report of Ryman's utilization of such Workforce Development Program and summary of the results.

8. Further Acts: Enforceability. The parties hereto agree to take such actions, adopt such resolutions and enter into such further agreements as may be necessary, or reasonably requested by any party to this Agreement, to effect the intent of this Agreement. The parties recognize and acknowledge that it is their intention that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies of the State of Tennessee, but that the unenforceability (or the modification to conform with such laws or public policies) of any provisions hereof shall not render unenforceable or impair the remainder of this Agreement. Accordingly, if any provision of this Agreement shall be determined to be invalid or unenforceable, either in whole or in part, this Agreement shall be deemed amended to delete or modify, as necessary, the offending provisions and to alter the balance of this Agreement in order to render the same valid and enforceable to the fullest extent permissible as aforesaid.

9. Assignment and Use. Ryman, at its election, may, upon notice to the Board, assign its interest in this Agreement or the benefits hereunder, in whole or in part, to its successors and assigns or to any entity to which its assigns the Lease or sublets the Property. Additionally, the parties agree that any entity that leases, subleases or otherwise holds an interest in any portion of the Project shall be a third party beneficiary of this Agreement. Notwithstanding the foregoing, Ryman acknowledges that the amount of the annual Payment that it or its successors or assigns shall be required to make with respect to a given year is subject to the provisions of Section 3 hereof. Without limiting the foregoing, Ryman may convey, pledge or encumber its interests hereunder by security agreement or other instrument (a "Security Agreement") in favor of such lender(s) as Ryman shall elect, as the beneficiary of a Security Agreement (each, a "Secured Party"), and Ryman may assign this Agreement as collateral security for such Security Agreement, all without the necessity of obtaining the consent of the Board. The Secured Party shall not become liable for Ryman's obligations hereunder unless and

until the Secured Party becomes the owner of the leasehold estate contemplated by the Lease, assignment in lieu of foreclosure or otherwise, or if the Secured Party gives notice to the Board that the Secured Party will assume Ryman's obligations hereunder. The Secured Party shall remain liable for the obligations of Ryman under this Agreement only for so long as it remains the owner of the leasehold estate contemplated by the Lease. If the Secured Party should become the owner of such leasehold estate, the Secured Party may assign this Agreement to any other person or entity without the approval or consent of the Board; and upon the assumption by such other person or entity of the obligations of Ryman hereunder, Secured Party's liability for such obligations of Ryman hereunder shall immediately terminate. If the Secured Party or Ryman shall give the Board and the Metropolitan Government notice of the Secured Party's interest in the Lease and such notice shall contain the address to which notices to the Secured Party are to be sent and Secured Party's fax number, the Board and the Metropolitan Government will thereafter simultaneously send to the Secured Party, at the address so given. The Secured Party, at its option, may make any payments or do any other act or thing required of Ryman by the terms hereof, and all payments so made or other acts so done or performed or caused to be done or performed by the Secured Party shall be as effective as the same would have been if done or performed by Ryman.

10. Operation of Project. The parties acknowledge and agree that by entering into this Agreement, Ryman is not agreeing to continuously operate the Project or the Waterpark Addition during the terms of the Lease and that Ryman may discontinue operations at the Project, including the Waterpark Addition, at any time. Notwithstanding the foregoing, Ryman acknowledges that the amount of the annual Payment that it or its successors or assigns shall be required to make with respect to a given year is subject to the provisions of Section 3 hereof.
11. Income Tax Reporting. The parties hereby acknowledge and agree that for U.S. federal income tax purposes Ryman shall be treated as the owner of the Project and Waterpark Addition notwithstanding the Board's acquisition of legal title thereto for ad valorem property tax purposes.
12. Economic Development Agreement Report. Ryman shall within ten days of the date hereof cause a copy of this Agreement to be filed with the Mayor of the Metropolitan Government and with the Comptroller of the Treasury, together with a cost-benefit analysis, as required by Tennessee Code Annotated Section 7-53-305(b).
13. Annual Reports. Ryman shall each on or before October 1 of each year submit to the State Board of Equalization the annual report required by T.C.A. Section 7-53-305(e)(1) and shall on or before October 15 of each year file such report with the Tax Assessor of Davidson County, Tennessee as required by T.C.A. Section 7-53-305(e)(2).
14. Headings. The headings herein are for convenience of reference only and shall not be deemed to be part of the substance of this Agreement.
15. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Tennessee.
16. Counterparts. This Agreement may be executed in two or more counterparts which together shall constitute a single instrument.

17. Entire Agreement; Amendment. This Agreement sets forth the entire agreement among the parties with respect to the subject matter hereof. This Agreement may be changed or supplemented only by a written agreement signed by all parties hereto.

*(signature page follows)*



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

RHP HOTELS, LLC

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

Name: \_\_\_\_\_

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

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

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

Name: \_\_\_\_\_

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

EXHIBIT A

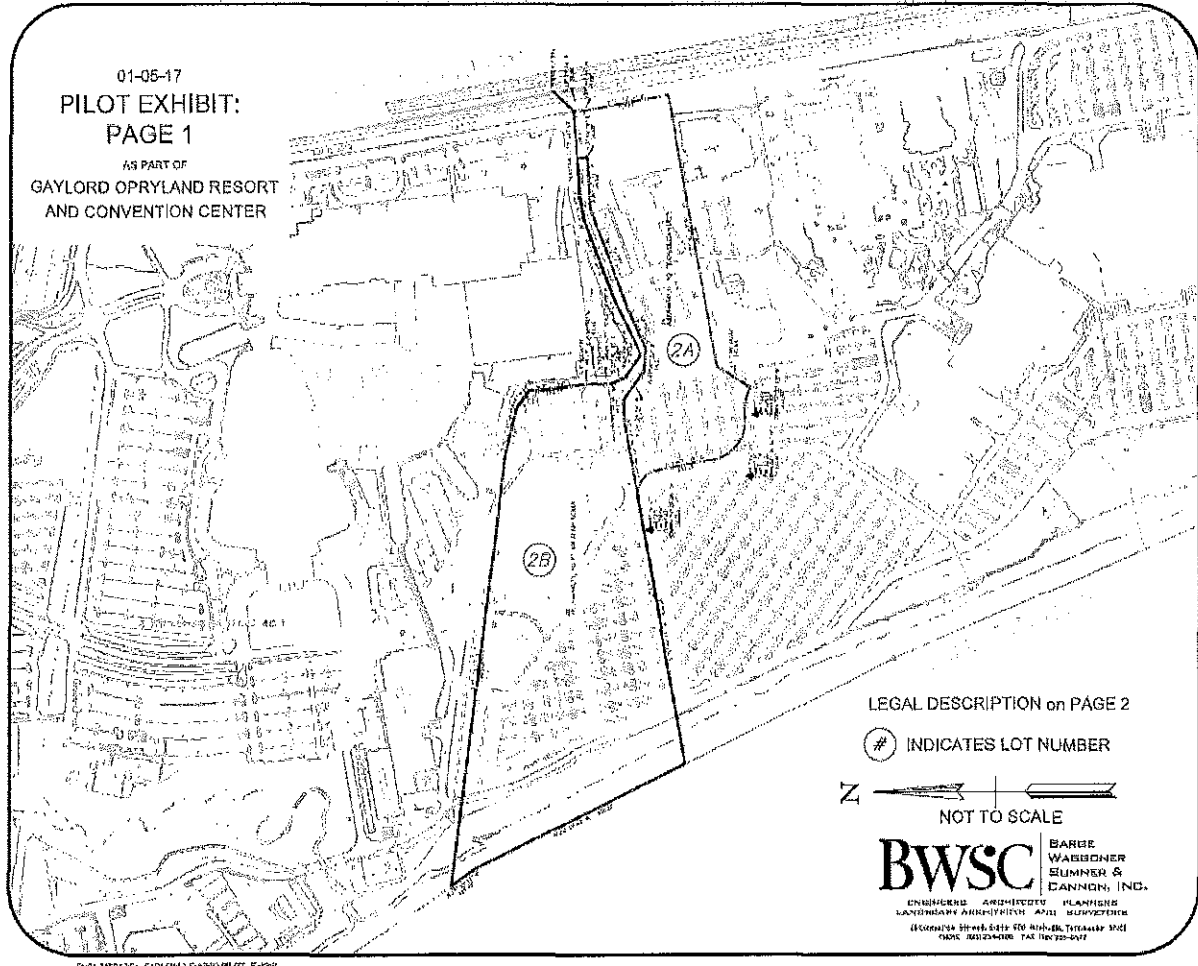
LEGAL DESCRIPTION OF THE PROJECT SITE

Parcel No: 073 00 0 032.00 (approximately 171.79 acres)

Parcel No: 073 00 0 034 (approximately 32.73 acres)

EXHIBIT B

DESCRIPTION OF LOT 2A



20884557.7

{N0117134.1}

EXHIBIT B

Ryman Letter Regarding Donation of Property

(attached)

20879161.8



BENNETT WESTBROOK  
CHAIRMAN AND CEO  
RYMAN HOSPITALITY PROPERTIES, INC.

January 26, 2017

Metropolitan County Council of The Metropolitan Government of Nashville and Davidson County  
Metropolitan Courthouse  
Nashville, Tennessee 37201

Ladies and Gentlemen:

This letter evidences the agreement of Ryman Hotels, LLC to donate to The Metropolitan Government of Nashville and Davidson County two parcels of property located at 2400 McGavock Pike (Parcel ID Nos. 06213012700 and 06213012800), upon the execution of a payment in lieu of tax agreement and the amendment of Ordinance No. BL2010-727, all as contemplated by ordinance filed for initial reading by the Metropolitan Council on February 7, 2017.

Sincerely,

Bennett Westbrook