

**INTERGOVERNMENTAL PROJECT AGREEMENT
(CONVENTION CENTER PROJECT)**

This Agreement is made and entered into this 2nd day of June, 2009, by and between The Metropolitan Government of Nashville and Davidson County (the "Metropolitan Government") and The Metropolitan Development and Housing Agency of Nashville and Davidson County ("MDHA").

WITNESSETH:

WHEREAS, the Metropolitan Council of the Metropolitan Government (the "Metropolitan Council") has determined that it is in the public interest to construct a new convention center and related facilities (the "Convention Center") on properties located within the Capitol Mall Redevelopment District; and

WHEREAS, the Nashville Convention and Visitors Bureau has solicited and obtained commitments from various groups to use the Convention Center starting in the spring of 2013; and

WHEREAS, in order to complete construction of the Convention Center in a timely manner, the Metropolitan Government must proceed promptly with (1) the acquisition of the parcels of land on which the Convention Center will be constructed, (2) the relocation of businesses located on such parcels, (3) the clearing of such parcels, including relocation of utility facilities and demolition of buildings and improvements thereon and removal or remediation of any environmental contamination necessary to prepare such parcels for development as a Convention Center, (4) the installation, construction or reconstruction of streets, utilities and site improvements necessary to prepare such parcels for development as a Convention Center and (5) the continuation of the planning and design of the Convention Center; and

WHEREAS, the Metropolitan Government currently collects the following taxes pursuant to the statutes listed below, the proceeds of which are specified for and restricted to the financing of convention center facilities for the Metropolitan Government (the "Convention Center Tax Revenues"):

- (1) 1% of the 6% Hotel/Motel Tax authorized by Section 7-4-102 of the Tennessee Code Annotated and Section 5.12.020 of the Metropolitan Code;
 - (2) \$2.00 of the \$2.50 Hotel Room Occupancy Tax authorized by Section 7-4-202 of the Tennessee Code Annotated and Section 5.12.120 of the Metropolitan Code;
 - (3) The entire \$2.00 Contracted Vehicle Tax authorized by Section 7-4-203 of the Tennessee Code Annotated and Section 5.16.130 of the Metropolitan Code;
- and

(4) The entire 1% Rental Vehicle Surcharge Tax authorized by Section 67-4-1908 of the Tennessee Code Annotated and Section 5.32.190 of the Metropolitan Code; and

WHEREAS, pursuant to Resolution RS2008-143, the Metropolitan Council has heretofore authorized and engaged MDHA to undertake certain pre-development activities necessary for the development and construction of the Convention Center; and

WHEREAS, the Metropolitan Council wishes to further authorize and engage MDHA, on behalf of the Metropolitan Government, to (1) acquire the parcels of land on which the Convention Center will be constructed, (2) relocate businesses located on such parcels, (3) clear such parcels, including relocation of utility facilities and demolition of buildings and improvements thereon and removal or remediation of any environmental contamination necessary to prepare such parcels for development as a Convention Center, (4) install, construct or reconstruct streets, utilities and site improvements necessary to prepare such parcels for development as a Convention Center and (5) pay architectural, engineering, legal, fiscal and administrative costs incident to the foregoing pre-development activities (collectively, the "Convention Center Pre-Development Project"); and

WHEREAS, pursuant to Title 13, Chapter 20 of the Tennessee Code Annotated, MDHA is authorized to acquire property and prepare it for development pursuant to one or more redevelopment plans and to issue bonds, notes and other debt obligations for the purpose of financing the costs related thereto; and

WHEREAS, the property on which the Convention Center will be constructed is located within the Capitol Mall Redevelopment District, which is subject to the Capitol Mall Redevelopment Plan (the "Redevelopment Plan"), heretofore approved by the Metropolitan Council pursuant to Ordinance Number 082-845, and subsequently amended by the adoption of Ordinance No. 087-1695, Ordinance No. 091-1567, Ordinance No. 093-774, Ordinance No. 097-755, Ordinance No. 098-1187, Ordinance No. BL2002-1033, Ordinance No. BL2004-424 and Ordinance No. BL2009-436 ;

WHEREAS, the Redevelopment Plan contemplates the construction of public facilities in order to prevent and alleviate blight within the area covered thereby; and

WHEREAS, Tenn. Code Ann. § 13-20-417 authorizes the Metropolitan Government to make donations to MDHA to further MDHA's corporate purposes; and

WHEREAS, Tenn. Code Ann. §§ 12-9-101 et seq. authorize metropolitan governments and their agencies and instrumentalities to enter into agreements for the purpose of providing for the financing, ownership and operation of governmental projects; and

WHEREAS, for the purpose of establishing the agreements and rights of the parties hereunder, the parties enter into this Agreement;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged, the parties agree as follows:

1. Duties of the Metropolitan Government. The Metropolitan Government covenants and agrees as follows:

(a) The Metropolitan Government hereby engages and authorizes MDHA to undertake the Convention Center Pre-Development Project.

(b) The Metropolitan Government agrees to collect all Convention Center Tax Revenues due to the Metropolitan Government and to transfer such Convention Center Tax Revenues to MDHA as and when received for the purpose of completing the Convention Center Pre-Development Project. The Metropolitan Government will continue to transfer such Convention Center Tax Revenues to MDHA until the termination of this Agreement pursuant to the provisions hereof.

(c) The Metropolitan Government authorizes MDHA to use the Convention Center Tax Revenues to complete the Convention Center Pre-Development Project and to pay expenses in connection with the continuation of planning and design of the Convention Center.

(d) The Metropolitan Government approves MDHA's issuance of its bonds, notes or other debt instruments to finance the Convention Center Pre-Development Project (the "MDHA Debt Obligation") and MDHA's pledge or assignment of its rights under this Agreement, including the right to receive the Convention Center Tax Revenues, to lenders, bondholders or a trustee for bondholders as security for the repayment of the MDHA Debt Obligation; provided, however, any such MDHA Debt Obligation shall conform to the following parameters: (i) the par amount shall not exceed \$75,000,000, (ii) the purpose shall be solely for the financing of the Convention Center Pre-Development Project, (iii) prepayment or redemption without penalty or premium must be permitted on or prior to January 1, 2010 and (iv) the final maturity shall be no more than three years from the issue date of such MDHA Debt Obligation. Notwithstanding the foregoing, in the event that the Metropolitan Government has not provided for the prepayment or redemption of the MDHA Debt Obligation prior to its maturity, MDHA may issue refunding obligations secured by the Convention Center Tax Revenues provided that the par amount of such refunding obligations is not greater than the amount necessary to pay debt service on the MDHA Debt Obligation and to pay issuance costs related to such refunding obligation, and further provided that the refunding obligations mature not later than 20 years following the date of the issuance of such refunding obligations.

(e) The Metropolitan Government approves MDHA's granting of such deeds of trust, mortgages or other liens on all or any portion of the property acquired as part of the Convention Center Pre-Development Project as may be required by MDHA's lenders or bondholders in connection with the issuance of and as security for the MDHA Debt Obligation and any refunding obligations.

(f) The Metropolitan Government approves MDHA's use of any operating revenues which may be derived from the properties acquired in connection with the Convention Center Pre-Development Project (such as rent, net proceeds of parking operations, etc.) for the payment of costs of the Convention Center Pre-Development Project or the pledge of any such operating revenues to its lenders or bondholders as additional collateral for the MDHA Debt Obligation.

(g) For so long as any MDHA Debt Obligation or any related refunding obligation issued pursuant to this Agreement are outstanding, the Metropolitan Government will transfer the Convention Center Tax Revenues to MDHA as described herein and will not repeal or amend the ordinances authorizing the collection of the Convention Center Tax Revenues in such a manner as to reduce the amount of Convention Center Tax Revenues payable to MDHA pursuant to this Agreement.

2. Duties of MDHA. MDHA covenants and agrees as follows:

(a) MDHA will employ its best efforts to obtain financing for the Convention Center Pre-Development Project, and any MDHA Debt Obligation will be issued within the parameters set forth herein.

(b) MDHA will use any proceeds obtained from the issuance of the MDHA Debt Obligation exclusively for the payment of costs of the Convention Center Pre-Development Project and to pay the costs of issuance of the MDHA Debt Obligation.

(c) MDHA may use a portion of the Convention Center Tax Revenues for payment of direct expenditures for the Convention Center Pre-Development Project.

(d) MDHA will maintain any Convention Center Tax Revenues it receives and any proceeds of a MDHA Debt Obligation in segregated funds separate from any and all other monies of MDHA.

(e) MDHA will provide such statements, reports and information as the Director of Finance of the Metropolitan Government may require with regard to the Convention Center Pre-Development Project expenditures, financing and management and any other activities of MDHA with respect to the Convention Center Pre-Development Project.

(f) MDHA will convey any and all property acquired by it in connection with the Convention Center to the Metropolitan Government or its designee as and when requested by the Metropolitan Government, acting through its Director of Finance, for a purchase price of \$1; provided that the Metropolitan Government or its designee has refunded or provided MDHA with the funds necessary for the refunding of the MDHA Debt Obligation or any refunding obligations, as applicable.

3. Term.

(a) The duties and responsibilities of the parties hereunder shall commence as of the date hereof.

(b) If no MDHA Debt Obligation or related refunding obligations are outstanding, the Metropolitan Government, acting through its Director of Finance, may terminate this Agreement upon notice to MDHA.

(c) During the period that any MDHA Debt Obligation or any related refunding obligations are outstanding, the Metropolitan Government, acting through its Director

of Finance, may terminate this Agreement upon notice to MDHA following the payment in full or full defeasance of the MDHA Debt Obligation.

(d) The termination of this Agreement shall not be permitted if such termination would impair in any way the ability or capacity of either of the parties hereto to fully and timely fulfill its obligations under any contract or agreement with any third party, including the holder or owner of any notes, bonds or other indebtedness described herein.

4. Default. Subject to Section 3(d) above, in the event either of the parties hereto shall fail to perform any of its obligations hereunder or shall become unable to perform by reason of bankruptcy, insolvency, receivership or other similar event, then the non-defaulting party, so long as said party is not itself in default hereunder, (i) may terminate this Agreement, whereupon the terminating party shall be relieved of any further obligations hereunder, or (ii) seek specific performance, mandamus or other extraordinary relief to compel the defaulting party to perform hereunder.

5. Severability. If a court of competent jurisdiction or an arbitrator determines that any term of this Agreement is invalid or unenforceable to any extent under applicable law, the remainder of this Agreement (and the application of this Agreement to other circumstances) shall not be affected thereby, and each remaining term shall be valid and enforceable to the fullest extent permitted by law.

6. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Tennessee.

7. Entire Agreement. This Agreement contains the entire understanding among the parties with respect to the matters contained herein, and supersedes any prior understanding and agreements between them respecting the within subject matter. There are no representations, agreements, arrangements or understandings, oral or written, between or among the parties hereto relating to the subject matter of this Agreement which are not fully expressed herein. Notwithstanding the foregoing, to the extent this Agreement or any of the terms hereof shall conflict with the terms of any of the other documents or agreements referenced herein, the terms of said documents or agreements shall control.

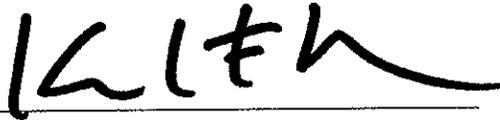
8. Headings. The paragraph headings are inserted only as a matter of convenience and for references and in no way define, limit or describe the scope or intent of this Agreement or in any way affect this Agreement.

9. Authorized Representatives. Any action required of or permitted to be taken by any of the parties hereto may be performed by an authorized representative of the respective party without further action by the governing body of such party.

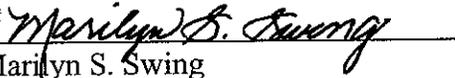
10. Effective Date. This Agreement shall not become effective unless and until Ordinance No. BL2009- 436 approving Amendment No.3 to the Arts Center Redevelopment Plan and Amendment No. 8 to the Capitol Mall Redevelopment Project Plan is adopted by the Metropolitan Council.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the day and year first above written.

THE METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY

By: 
Karl Dean
Metropolitan Mayor

ATTEST:

By: 
Marilyn S. Swing
Metropolitan Clerk

APPROVED AS TO AVAILABILITY OF FUNDS BY:

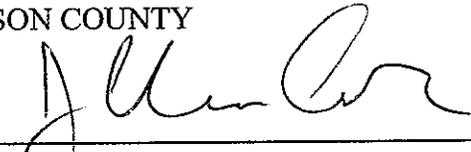

Richard Riebeling
Director of Finance

APPROVED AS TO FORM AND LEGALITY:


Metropolitan Attorney

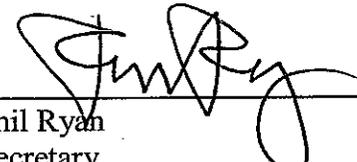
THE METROPOLITAN DEVELOPMENT AND
HOUSING AGENCY OF NASHVILLE AND
DAVIDSON COUNTY

By:



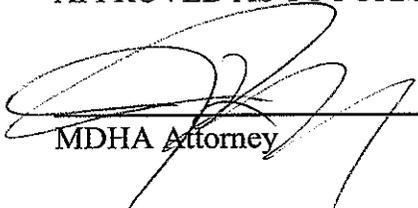
J. Chase Cole
Chairman

ATTEST:



Phil Ryan
Secretary

APPROVED AS TO FORM AND LEGALITY:



MDHA Attorney

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