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August 3, 2007

Via Hand Delivery

Larry T. Thrailkill, Esq.
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5141 Virginia Way, Suite 240
P.O. Box 2408
Brentwood, Tennessee 37024-2408

Re: Nashville Hockey Club Limited Partnership, a Wisconsin limited
partnership ("Predators LP")

Dear Larry:

I am writing on behalf of David Freeman and PHC, LLC, a Tennessee limited liability company ("PHC"), in connection with PHC's anticipated acquisition of Predators LP and its affiliate, Powers Management, LLC, a Tennessee limited liability company ("Manager"). In particular, I am writing to summarize the revisions that PHC is proposing be made to the License and Use Agreement, dated as of June 25, 1997, between Predators LP and The Sports Authority of The Metropolitan Government of Nashville and Davidson County (the "Sports Authority") (as amended, the "License Agreement"), and the Operating and Management Agreement, dated as of June 25, 1997, between Manager and the Sports Authority (as amended, the "Management Agreement"). The License Agreement and the Management Agreement represent the two main agreements that control the contractual relationships between Predators LP and Manager, on one hand, and The Metropolitan Government of Nashville and Davidson County ("Metro") and the Sports Authority, on the other hand.

Please note that the payments and payment amounts and similar matters under the License Agreement and the Management Agreement would be determined on the basis of a fiscal year beginning July 1 and ending June 30. All references in this proposal to "a year," "an annual amount" or similar words and phrases refer to the applicable fiscal year. Similarly, references to Management Fees or other amounts payable with respect to a "hockey season" (or similar phrases) refer to the amount payable with respect to the fiscal year within which such hockey season takes place.

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1. The Management Agreement.

Under the Management Agreement, the Sports Authority is responsible for virtually all capital and operating expenses associated with the operation of the Sommet Center (also referred to herein as the "Facility"). If "Operating Expenses" for a particular period exceed "Operating Revenues" for that period, the Sports Authority is responsible for that "Operating Loss." If "Operating Revenues" exceed "Operating Expenses", the Sports Authority is entitled to that "Operating Income" for such period. Since entering into the Management Agreement, the Sports Authority has experienced only Operating Losses.

PHIC proposes to amend the Management Agreement as follows:

(a) The Sports Authority would pay Manager an annual management fee in an amount equal to the Base Management Fee (as defined below), plus the Attendance Payment (as defined below) for such year (if any), plus the Incentive Payment (as defined below) for such year (if any) (collectively, the "Management Fee"). The Management Fee would replace the Sports Authority's obligation to pay Manager the "Management Fee" and the "Performance Fee" under Sections 4.1 and 4.2 of the current Management Agreement, both of which are reflected in the historic Operating Losses.

(i) *Base Management Fee.* The "Base Management Fee" would be \$6,500,000 per year. Such amount would be adjusted annually to reflect changes in the Consumer Price Index, but in no event would such annual adjustment be less than 2% or more than 5% (the "CPI Adjustment").

Payment of the Base Management Fee for fiscal year 2008 would be bifurcated. A portion of the 2008 Base Management Fee would be payable in equal monthly installments between the effective time of the amendment and June 30, 2008. The remainder of the 2008 Base Management Fee would be payable on July 1, 2008. Beginning with fiscal year 2009, the full amount of the Base Management Fee would be payable in equal monthly installments.

(ii) *Attendance Payment.* The Attendance Payment for a given year would be determined and paid as described in Section 2(b), below.

(iii) *Incentive Payment.* The Incentive Payment for a given year would be determined and paid as described in Section 3, below.

(b) Manager would be responsible for all Operating Expenses. The parties would define the term "Operating Expenses" in the revised Management Agreement. Operating Expenses would not include, among other things, (i) depreciation, amortization or other non-cash items that are treated as operating expenses under generally accepted accounting principles, (ii) the cost of property insurance on the Facility and certain other

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insurance costs as agreed upon by the parties, (iii) capital expenses, (iv) debt service on any bonds or other liabilities of Metro or the Sports Authority, or (v) operating expenses arising out of, or relating to, the operation of the Facility prior to the effective date of the agreement modifications described in this proposal.

(c) Manager would be entitled to retain all Operating Revenues. The parties would define the term "Operating Revenues" in the revised Management Agreement. The term "Operating Revenues" would not include, among other things, (i) sales tax on sales related to the Facility (including sales tax specifically allocated to the Sports Authority under the Sports Authorities Act), (ii) the "Ticket Surcharge"/"Ticket Surcharge Fee" contemplated by the Management Agreement and the License Agreement, or (iii) operating revenue arising out of, or relating to, the operation of the Facility prior to the effective date of the agreement modifications described in this proposal.

(d) The revised Management Agreement would confirm Manager's obligation to make the Facility available for municipal and civic events and would expressly allow Metro or the Sports Authority to use the Sommet Center for certain governmental or quasi-governmental functions (e.g., the Mayor's annual First Day of School Celebration and meetings of the Sports Authority) in a manner, and on terms, that are consistent with the parties' past practice.

(e) The parties would confirm that the Police Department, the Nashville Convention & Visitors Bureau, the Register of Deeds and the Tennessee Sports Hall of Fame may continue to occupy the spaces within the Facility that they currently occupy under the arrangements currently applicable to such spaces. Other than those spaces, the entire Facility (including the tower and the rehearsal hall) would be subject to the Management Agreement.

(f) The Sports Authority would remain solely responsible for all capital expenditures as currently provided in the Management Agreement. The Management Agreement also would provide that the Sports Authority would pay (or reimburse Manager) for the capital expenditures for the following projects if requested by Manager:

(i) up to three projects for the creation, build-out or modification of club areas; provided, however, that (A) Manager would be responsible for the capital expenditures for each such project in excess of \$1,000,000 (subject to the CPI Adjustment); and (B) until July 1, 2011, the Sports Authority would not be required to pay (or reimburse Manager) for more than \$1,000,000 (subject to the CPI Adjustment) per year with respect to such projects; and

(ii) the equipping and build out of the rehearsal hall, subject to reasonable budget limitations to be agreed upon by the parties; PHC currently estimates that such costs would not exceed \$2,000,000.

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PHC also would like to discuss the need for capital expenditures in connection with the HVAC systems at the Facility. In performing its due diligence, PHC has been advised that the utilities costs at the Facility are materially higher than those at other comparable facilities.

(g) The Management Agreement would be modified as appropriate to reflect the reallocation of risks resulting from this proposal. Such modifications would include, without limitation, elimination of (i) the existing operating budget approval process; (ii) the Sports Authority's right to approve Operating Expenses and certain contracts; and (iii) the provisions regarding the "Operating Fund" and the "Working Capital Fund."

(h) Manager would be allowed to enter into subcontracts or other similar contractual arrangements with nationally recognized sports and entertainment venue management companies to provide Manager's services and satisfy Manager's obligations under the Management Agreement. Manager would remain primarily responsible for the satisfaction of all of its obligations under the Management Agreement.

(i) Article XXIII of the Management Agreement currently includes conditional guaranty provisions based upon the tangible net worth of Predators LP. The parties would amend the Management Agreement by deleting the word "tangible" everywhere it appears in Article XXIII. This modification would be in addition to the settlement of various issues as described in Section 2, below. The parties will establish a mutually acceptable method for verifying Predators LP's net worth.

(j) The parties would agree that the aggregate amount of the "Performance Fee" due to Manager under the Management Agreement with respect to fiscal years 2004 and 2005 would be \$289,000. The Sports Authority would pay that amount to Manager as of the closing of PHC's acquisition of Predators LP and Manager. The parties also would agree to determine the amount of the "Performance Fee" with respect to fiscal years 2006 and 2007 using the same methodology used to establish the "Performance Fee" for fiscal years 2004 and 2005.

(k) The provisions of the Management Agreement regarding the Sports Authority's right to use one luxury suite and the proceeds from the rental of such suite would not be revised in connection with the modification of the Management Agreement.

(l) The parties would confirm that the Sports Authority would be entitled to the proceeds from the sale of any of the Facility's surplus equipment. Property of Predators LP or Manager would not be subject to this provision.

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2. The License Agreement.

(a) *Modifications Relating to Certain Operating Expenses and Operating Revenues.* The historic Operating Losses associated with the Sommet Center include certain Operating Expenses for which the Sports Authority is responsible under the License Agreement and certain Operating Revenues to which the Sports Authority is entitled under the License Agreement. Consequently, under our proposal, (i) the Sports Authority would no longer be responsible for providing "Arena Personnel" as contemplated by Section 19.1 of the License Agreement or other goods and services that fall within the scope of "Operating Expenses," (ii) Predators LP would no longer be required to make the "License Fee" or "Annual Ticket Receipts Fee" payments currently contemplated by Article 3 of the License Agreement, (iii) Predators LP would be entitled to retain 100% of all revenue relating to Predators events, including all concessions revenue, merchandise sales revenue, parking revenue (including a substantial share of revenue from parking for events at the proposed new convention center), and ticket revenue (including suite revenue and club seat revenue), and (iv) Predators LP would be entitled to retain 100% of all advertising revenue, including 100% of all revenue from "Non-NHL Advertising" and all "Advertising Packages." Our proposal would not amend the provisions in the License Agreement or the Management Agreement regarding "Ticket Surcharges" and "Ticket Surcharge Fees," including the provisions of Section 4.3 of the License Agreement.

(b) *Modifications Relating to Minimum Attendance; Attendance Payment.* The revised License Agreement would include provisions to assure that the average paid attendance at Predators' home games for each season is not less than the Minimum Attendance Level. The "Minimum Attendance Level" for each season would be the greater of (i) 14,000 and (ii) the then current average paid attendance required in order for Predators LP to receive a full share under the NHL's revenue sharing arrangements.

Manager would have the right to purchase (or arrange for purchase) and distribute home game tickets during each season to assure that Predators LP achieves that season's Minimum Attendance Level. The Management Fee for such year will be increased by the amount of the price for tickets that Manager purchases under these provisions (the "Attendance Payment"). To the extent the average paid attendance for such season exceeds the Minimum Attendance Level, there would be no increase in the Management Fee relating to tickets purchased by Manager. For purposes of illustration, assume that (1) Predators LP sells 574,600 home game tickets during a season, of which 1,500 are tickets that Manager purchases (or arranges to have purchased) under these provisions, and (2) the total number of home game tickets needed for Predators LP to meet the Minimum Attendance Level for that season is 574,000. Under those hypothetical facts, the Attendance Payment for such year would be the price of 900 of the tickets that Manager purchased (or arranged to have purchased) under these provisions (1,500 tickets purchased, minus the 600 tickets by which Predators LP exceeded the number of tickets needed to meet that season's Minimum Attendance Level). The Attendance Payment would be