

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

BILL PURCELL
MAYOR



April 4, 2007

DEPARTMENT OF LAW
METROPOLITAN COURTHOUSE, SUITE 108
P O BOX 196300
NASHVILLE, TENNESSEE 37219-6300
(615) 862-6341
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Nashville Sounds Baseball Club Limited Partnership
c/o Amerisports Companies, LLC, General Partner
837 South Thurlow Street
Hinsdale, IL 60521
Attn: Glenn Yaeger, Chief Operating Officer

Certified Mail
Return Receipt Requested

Facsimile 630-455-9835

**RE: NOTICE OF DEFAULT OF MEMORANDUM OF UNDERSTANDING FOR
DEVELOPMENT OF THERMAL PLANT PROPERTY**

Dear Mr. Yaeger:

The Memorandum of Understanding by and among the Metropolitan Government, the Metropolitan Development and Housing Agency, the Industrial Development Board, Struever Bros. Eccles & Rouse Development Holdings LLC ("SBER"), and the Nashville Sounds Baseball Club Limited Partnership ("Sounds"), as amended by the First Amendment to the MOU, will expire on April 15, 2007. The Sounds have previously announced publicly and advised the parties to the MOU that it will not be possible for the Sounds to close on April 15, 2007.

As the Sounds will not close on April 15, 2007, pursuant to Section 8 of the MOU, the Sounds are hereby notified that the Metropolitan Government deems the Sounds to be in default. The Sounds have failed or refused to proceed in good faith and with reasonable diligence to fulfill its obligations under the MOU. Specifically,

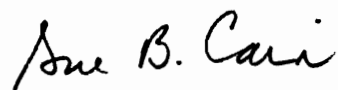
1. The Sounds have failed to comply with Section 6.a. of the MOU that required the Sounds to negotiate and enter into the IDB Lease.
2. The Sounds have failed to negotiate and execute documents reasonably necessary to effectuate the Ballpark Construction Financing in an amount reasonably necessary to complete the construction of the Ballpark as required by Section 6.e. of the MOU. A representative of the Sounds has publicly stated that the Sounds will not or can not obtain construction financing if the Ballpark construction cost equals or exceeds \$50 million, while also stating that the costs of construction may exceed that amount. Furthermore, the Sounds permitted the original financing commitment to terminate in the spring of 2006 and failed to re-engage the lenders until November 2006. This failure made it impossible to attain a

December 31, 2006, closing date as required by the MOU prior to the First Amendment and the failure continues.

3. The Sounds failed to assist SBER to secure a private lending institution to provide the TIF Financing as required by Section 6.h. of the MOU.
4. The Sounds refused to provide assurances, security and guarantees for the TIF Financing as required by Sections 6.h. and 6.q. of the MOU.
5. The Sounds failed to develop a construction plan and schedule as required by Section 6.i. of the MOU. The Metropolitan Government is advised that the Sounds have failed to timely compensate its architectural firm, HOK, resulting in a refusal of HOK to continue necessary work on the construction plan.
6. The Sounds have demanded that SBER pay all costs necessary to complete the construction plan, a clear responsibility of the Sounds under the MOU. In February 2007, the Sounds publicly stated that the cost of Ballpark construction would exceed the original budget of \$43 million, although the Sounds had not engaged Turner Construction to update or analyze the construction cost and thus had no basis for this conclusion.
7. The Sounds have failed to work diligently and use its best efforts to commence construction of the Ballpark as required by Section 6.o. of the MOU.
8. The Sounds have failed to cooperate with the other parties to the MOU as required by Section 10.a. of the MOU.

Given that the conduct of the Sounds is a total and unqualified refusal to perform the MOU by taking the actions and accepting the responsibilities it agreed to take and accept in February, 2006, when the Sounds induced the Metropolitan Government to enter the MOU by agreeing to the terms of the MOU, the Metropolitan Government is forced to invoke the Default Provisions of that MOU as they are set out in Section 8. Given your past failure to accept your responsibilities under the MOU, the Metropolitan Government must insist that you provide details to the Metropolitan Government immediately of your plans to cure your default within the time provided in Section 8 of the MOU. Should you fail to provide information that is sufficient to justify a good faith belief by the Metropolitan Government that you will cure your default within the time permitted by Section 8, the Metropolitan Government will be forced to conclude that you are repudiating the MOU in its entirety.

Sincerely,



Sue B. Cain
Deputy Director
(Acting Director)

**COPY OF NOTICE REGARDING DEFAULT OF
MEMORANDUM OF UNDERSTANDING FOR
DEVELOPMENT OF THERMAL PLANT
PROPERTY:**

Attorney for Nashville Sounds Baseball
Club Limited Partnership:
John W. Lewis, Esq.
Frost Brown Todd, LLC
Suite 1600
The Financial Center
424 Church Street
Nashville, TN 37219-2308

cc: Vice Mayor Howard Gentry, Jr.
Mr. David Manning, Director of Finance
Larry T. Thrailkill, Esq.
Metropolitan Development and Housing
Authority
Industrial Development Board
SBER Development Holdings, LLC

Mr. Jack L. Wood
Chairman
Thermal Site Task Force