MINUTES OF THE 5th MEETING OF THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE & DAVIDSON COUNTY

The 5th meeting of the Convention Center Authority of the Metropolitan Government of Nashville and Davidson County (CCA) was held on December 9, 2009 at 4:00 p.m., in the Media Room at the Metropolitan Courthouse, Nashville, Tennessee.

AUTHORITY MEMBERS PRESENT: *Mark Arnold, Marty Dickens, Darrell Drumwright, Vonda McDaniel, Willie McDonald, Luke Simons, and Mona Lisa Warren

AUTHORITY MEMBERS NOT PRESENT: Ken Levitan, Leo Waters, and Vice-Mayor Diane Neighbors, Ex-Officio

OTHERS PRESENT: Rich Riebeling, Larry Atema, Charles Starks, Barbara Solari, Mark Sturtevant, Charles Robert Bone, Peter Heindenreich, Bill Phillips, Terry Clements, Ric Miller, Jeff Scruggs, Hans Detlefsen, Wayne Placide, Katie Gregory, and Nancy Amons. In addition, other members of the media and general public were present.

The meeting was opened for business by Chairman Marty Dickens who stated that a quorum was present. The Appeal of Decisions was handed out to Authority members and available for the public.

ACTION: Appeal of Decisions from the Convention Center Authority of the Metropolitan Government of Nashville and Davidson County – Pursuant to the provisions of § 2.68.030 of the Metropolitan Code of Laws, please take notice that decisions of the Convention Center Authority may be appealed to the Chancery Court of Davidson County for review under a common law writ of certiorari. These appeals must be filed within sixty days after entry of a final decision by the Authority. Any person or other entity considering an appeal should consult with private legal counsel to ensure that any such appeals are timely and that all procedural requirements are met.

It was announced that the next meeting of the CCA would be on Thursday, January 7, 2010 at 8:00a.m. at the Nashville Convention Center. Mr. Dickens noted that they would need to vote on the financing plan during that meeting.

ACTION: Darrell Drumwright made a motion to approve the 4th Meeting Minutes of November 19, 2009. The motion was seconded by Willie McDonald and approved unanimously by the Authority.

Charles Robert Bone of Bone McAllester Norton was then introduced to talk about bylaws for the Authority. There was discussion about the draft of the bylaws passed out at the last meeting.

ACTION: Willie McDonald made a motion to approve the bylaws for the Convention Center Authority as presented in the draft at the November 19, 2009 meeting. The motion was seconded by Luke Simons and approved unanimously by the Authority.

Ric Miller with Willis Insurance was then asked to give an update on the Owner Controlled Insurance.

*Denotes arrival of Mark Arnold

Larry Atema noted that the Authority will need to take action on several pieces of insurance at the next meeting and Ric Miller confirmed.

Chairman Dickens then asked Mark Sturtevant to talk about the intergovernmental agreement with MDHA. (Attachment #1) Mr. Dickens noted that the MDHA Board has passed the agreement. Mr. Riebeling said this will need to be approved by the Authority as part of the financing plan before it goes to Council. There was additional discussion.

Rich Riebeling, Metro Finance Director, then gave an update and opened the floor for the Authority to ask questions of Wayne Placide with First Southwest, Jeff Scruggs with Goldman Sachs, and Hans Detlefsen and Katie Gregory with HVS. Charles Starks and Larry Atema were also asked to give updates. There were questions and discussion.

With no additional business a motion was made to adjourn, with no objection the CCA adjourned at 4:58 p.m.

Respectfully submitted,

Charles L. Starks
Executive Director
Nashville Convention Center

Approved:

Marty Dickens, Chairman
CCA 5th Meeting Minutes
Of December 9, 2009

SUMMARY OF LEGAL DOCUMENTS REGARDING THE PROPOSED FINANCING OF THE MUSIC CITY CONVENTION CENTER

1. **Resolution of the Metropolitan Council**

    a. Approves issuance of bonds by the Authority

    b. Approves Intergovernmental Agreement with Authority and MDHA

    c. Ratifies State-approved TDZ boundaries

    d. Exhibits

        1) Authority Bond Resolution (and exhibits)

        2) Intergovernmental Agreement

        3) State-approved TDZ boundaries

2. **Resolution of the Convention Center Authority**

    a. Approves issuance of bonds for construction of Convention Center

    b. Approves Intergovernmental Agreement with Metropolitan Government and MDHA

    c. Exhibits

        1) Series 2010A Indenture

        2) Series 2010B Indenture

        3) Intergovernmental Agreement

        4) Preliminary Official Statement

3. **Series 2010A Indenture between the Authority and U.S. Bank, as Trustee**

a. Establishes the terms of the Series 2010A Bonds

Maturity schedule
Interest rates
Redemption terms
Tax-exempt or "Build America Bonds"

b. Provides for the application of Series 2010A Bond proceeds

1) Construction Fund

a) Repay MDHA Loan

b) Construction Costs

2) Debt Service Reserve Fund

3) Issuance Costs

c. Provides for the payment of the Series 2010A Bonds – pledge of Tourism Tax Revenues

d. Directs application of Tourism Tax Revenues

First to Revenue Fund,
Then to Debt Service Fund as needed to pay debt service,
Then to replenish deficiencies in the Debt Service Reserve Fund,
Then transferred to the Series 2010B Indenture

e. Contains covenants of the Authority

f. Defines events of default and provides for remedies

4. Series 2010B Indenture of Trust between the Authority and U.S. Bank, as Trustee

a. Establishes the terms of the Series 2010B Bonds

Maturity schedule
Interest rates
Redemption terms
Tax-exempt or "Build America Bonds"

b. Provides for the application of Series 2010B Bond proceeds

1) Construction Fund

a) Repay MDHA Loan

b) Construction Costs

2) Debt Service Reserve Fund

3) Capitalized Interest

4) Issuance Costs

c. Provides for the payment of the Series 2010B Bonds

1) Pledge of Tourism Tax Revenues, junior to 2010A Bonds

2) Pledge of Convention Center Operating Revenues

3) Pledge of Non-Tax Revenues, in the event of a deficiency

d. Directs application of Revenues – Remaining Tourism Tax Revenues and Convention Center Operating Revenues

First, to Revenue Fund,
Then to pay Convention Center Operating Expenses,
Then to Debt Service Fund as needed to pay debt service, then
Then to replenish deficiencies in the Debt Service Reserve Fund,
Then to the Surplus Fund, which may be used to
-- pay operating expenses or debt service
-- repay Metro for advances of Non-Tax Revenues
-- other lawful purposes approved by the Director of Finance

e. Obligates Authority to request that the Metropolitan Government advance "Non-Tax Revenues" to pay debt service on Series 2010B Bonds if all other sources are deficient. "Non-Tax Revenues" are the same funds that are currently pledged as a back-stop to secure payment of the Metro Sports Authority's Stadium and Arena Bonds.

5. **Intergovernmental Agreement among the Metropolitan Government, the Authority and MDHA**

   a. Metropolitan Government Obligations

      1) Collect Tourism Tax Revenues and remit them to the Authority

      2) Advance Non-Tax Revenues to pay debt service on the Series 2010B Bonds if other funds are deficient

   b. Authority Obligations

      1) Issue the Bonds

      2) Acquire land from MDHA and repay MDHA Loan

      3) Construct the Convention Center

      4) Operate the Convention Center

      5) Reimburse Metropolitan Government for any advance of Non-Tax Revenues

   c. MDHA Obligations

      1) Transfer land and pre-development contracts to the Authority upon payment of MDHA Loan

      2) Cooperate with the Authority, as needed and directed, to facilitate construction of the Convention Center

6. **Preliminary Official Statement describing the Bond offering**

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