

2. Action on resolution recognizing the appointment to the Board of Directors of the Harris County - Houston Sports Authority of Bruce D. Oakley, Position 10; and the reappointments of Philamena Baird, Position 1; Pamela J. Gardner, Position 3; Tom Sprague, Position 6; Lawrence Catuzzi, Position 7; Manson Johnson II, Position 8; and Jess Fields, Position 9, and swearing-in ceremony relating to same.

Chairman Friedman announced that the referenced appointments and reappointments to the Authority's Board of Directors had been confirmed previously by the Harris County Commissioners Court and Houston City Council, as appropriate to each position. He then administered the Oath of Office to Directors Oakley, Gardner, Sprague, Catuzzi, Johnson and Fields. Chairman Friedman presented the resolution recognizing these actions, motion was made by Director Callier, seconded by Director Gardner, and passed unanimously.

3. Presentation and approval of the minutes from the Board Meeting held on October 23, 2014, and the Special Board Meeting held on November 19, 2014.

Chairman Friedman presented the draft minutes for the Board meeting held on October 23, 2014, and for the Special Board Meeting held on November 19, 2014, both of which had been previously circulated for the Board's review. Director Sprague moved that the minutes be approved, and Director Johnson seconded the motion. The motion passed unanimously.

4. Election of officers to serve as Vice-Chairman and Secretary/Treasurer, and approving other matters related thereto.

Chairman Friedman stated that the Authority is required to have two officers -- a Vice Chairman and a Secretary/Treasurer. Directors Catuzzi and Fields have previously indicated their willingness to continue to serve in those roles, respectively. Chairman Friedman called for a motion on the resolution to approve the election of officers as presented, motion was made by Director Rogers, seconded by Director Compean, and passed unanimously.

5. Chairman's Report.

a. Schedule of 2015 Board of Directors Meetings. Chairman Friedman noted that the schedule of Board Meetings for 2015 was enclosed in the Agenda books, and asked everyone to please note these dates on their calendars.

b. Update on status of Sports Authority bonds. Chairman Friedman reported that we are close to finalization of a deal to refinance most of the outstanding bonds. He stated that Ms. Burke, Mr. Waggoner and he would be traveling to New York to attend some final meetings to complete work on the transaction and pricing of the bonds. He noted that December 23, 2014, has been targeted as the official closing date. Chairman Friedman also reported that the Authority's bond counsel, Neil

Thomas at Norton Rose Fulbright, had secured approval from the Attorney General of Texas yesterday, December 3, 2014.

6. Chief Executive Officer's Report.

a. Mr. Brian Carr, 2014 Rotary Lombardi Awards Chairman. Ms. Burke introduced Mr. Carr, who thanked the Authority's Board and staff members for its support with this annual event that honors the nation's outstanding college football lineman. He stated that projected net revenues are expected to reach \$193,000, and will benefit three local charities, including M. D. Anderson Children's Cancer Center, Texas Children's Hospital Cancer Center and the American Cancer Society. Mr. Carr reported that the Authority's events team contributed approximately \$110,000, with their hard work in the selling of sponsorships, raffle tickets, ticket sales, donations, planning and event costs. Chairman Friedman said that this was one of the most prestigious awards in college football, and had been held in Houston annually for 45 years. He noted that the event had languished somewhat until the Authority was approached to assist two years ago. Ms. Burke also noted that a high school award element had been added to the event for the first time this year, and that has created a lot of excitement in the community. She presented a \$5,000 check for another sponsorship to Mr. Carr for the event. Chairman Friedman encouraged everyone to attend the event to be held at Bayou Music Center on Wednesday, December 10.

b. Mr. Duer Sharp, Commissioner, Southwestern Athletic Conference. Before introducing Commissioner Sharp, Ms. Burke stated that the decision made in 2012 to bring the SWAC Basketball and Football Championships to Houston for three years had been a good decision economically and had created a great set of exciting events for the community. She especially thanked Directors Johnson and Rogers for their dedicated involvement in working with the various SWAC committees which were organized to promote the events within the community.

Commissioner Sharp noted that SWAC was founded in Houston in 1920, and that being able to come back for these championships has been like returning home. He said that the football championships will feature Alcorn State and Southern University on Saturday, December 6, at NRG Stadium, and will be carried live on ESPNU, and will be great exposure for SWAC and Houston. Commissioner Sharp reported that everyone has been excited and very pleased with the move to Houston over the past few years, and continue to look forward to another great event this weekend. He expressed thanks and appreciation to Ms. Burke and her staff, who have done a great job to promote and grow these events, and he and SWAC are looking forward to continuing a great partnership.

c. Update on insurance compliance programs.

Ms. Burke's report noted that a letter from W. M. Jones & Company, the Authority's insurance advisors, was in the Agenda book for the Directors' review. She stated that this is an annual report to the Authority which verifies that (1) all stadium tenants have provided evidence of insurance to the Authority as required by the respective lease agreements and in compliance with the lease agreements; and (2) Directors & Officers Liability coverage is in effect.

d. Update on events and activities.

- Article published in the National Association of Sports Commissions' magazine by the Chairman of NASC related to Houston being named the Sports Commission of the Year.
- NCAA Women's Final Four bid – Ms. Burke showed the bid presentation that was made to the NCAA in person. Houston was not awarded the event and will now have to wait at least two years for the next round of bids.
- An overview of upcoming events included:
 - AdvoCare Texas Bowl
 - Half Marathon Nationals in connection with Chevron Houston Marathon
 - NCAA Division I Men's Basketball Regionals

Before recessing into Executive Session, a member of the audience, Mr. Malcolm Browne, asked several questions regarding the bond refinancing. He asked if any of the money for repayment of the debt related to the money that was loaned by the Toll Road Authority, and Chairman Friedman answered in the affirmative. Mr. Browne then asked if the debt was secured with practice fields or other assets. Chairman Friedman answered in the negative. Mr. Browne asked if this was an unsecured loan, and Chairman Friedman stated that was correct, but that it was backed by tax revenues and MBIA's insurance policy, and further stated that none of the venues were used for collateral. Mr. Browne asked if the insurance coverage was more of a performance contract issue and not a guarantee. Chairman Friedman stated that it was a guarantee in that it was a typical insurance policy. Mr. Browne then asked if MBIA was or would be repaid if payments could not be made and if those payments are made out of the reserves. Chairman Friedman stated that if for any reason the bonds could not be paid, then the insurer would have to pay the bonds off, and yes, reserve funds could be used.

At approximately 10:50 a.m., the Board of Directors recessed into a closed meeting to deliberate on the agenda items. Following Executive Session, the Board reconvened in open session at approximately 11:20 a.m.

7. Chairman Friedman announced that, pursuant to provisions of Chapter 551, Texas Government Code, the Board shall deliberate in Executive Session on the following: Consultation with attorneys on pending or potential litigation and legal matters in which attorney's duties are governed by the State of Texas (Code of Conduct), including matters related to National Public Finance Guarantee Corp and MBIA v. Harris County - Houston Sports Authority, et al, and matters related to MBIA, and Wilmington Trust v. Harris County - Houston Sports Authority and the payment of bonds and the flow of funds obligations, and matters related thereto pursuant to Section 551.071; deliberation on real estate matters, pursuant to Section 551.072; and deliberation on personnel matters, pursuant to Section 551.074.

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8. Discussion and possible action on amending the Harris County - Houston Sports Authority's Employee (403(a) Retirement Plan. Chairman Friedman called for a motion on this resolution, motion was made by Director Sprague, seconded by Director Sprague and passed unanimously.

Chairman Friedman asked Director Fields, as Chairman of the Finance Committee, to provide the financial update.

9. Finance Committee update.

a. Discussion and review of 2014 financials to date. Director Fields reported that actual revenues through November 30 exceed budget by \$8,909,411. He stated that Motor Vehicle Rental Tax revenues exceed the prior year's collections by 14.84 percent, or \$3,154,848; and that Hotel Occupancy Tax revenues exceed the prior year's collections by 18.75 percent, or \$4,925,552.

Director Fields said that expenditures through November 30 are under budget by \$232,615, and that all expenditure categories are within budget.

b. Discussion and possible action on resolution approving the 2015 G&A Budget, and approving other matters related thereto. Director Fields reported that the Finance Committee had

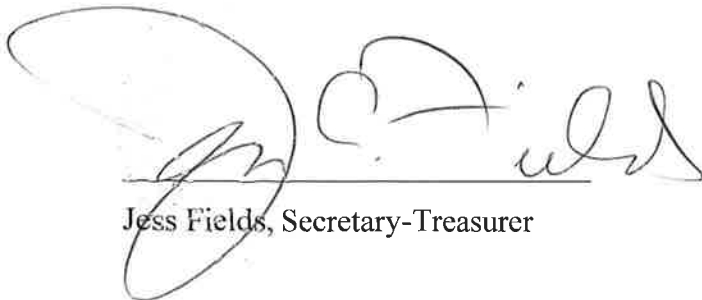
met prior to the Board meeting to review the proposed 2015 General & Administrative Budget, a copy of which was included in Tab G of the Agenda book. He noted the following:

- Motor Vehicle and Hotel Tax Revenue are budgeted at three (3) percent higher than the projected actuals for 2014.
- The 2015 revenue budget total is approximately nine (9) percent higher than the 2014 revenue budget and about one-half of a percentage point higher than the 2014 projected actual revenue.
- The Committee's recommended modifications to the draft Budget are:
 - Remove event reimbursements in the amount of \$2,504,306 from the revenues category. The new total for revenues will be \$91,685,190.
 - In the expenditures category, change *Event Expenses – Reimbursable* to *Contingency*.
 - A \$25,000 increase in Personnel is also recommended.

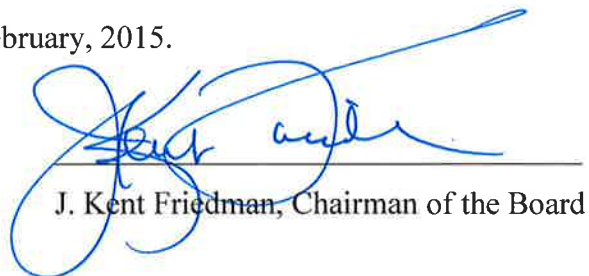
There were no questions from the Directors, and Director Fields called for a motion to approve the 2015 G&A Budget of \$3,960,338, which is the level of funding certified to the Trustee, as modified above. Motion was made by Director Gardner, seconded by Director Catuzzi, and passed unanimously.

10. Adjournment. There being no further business to come before the Board, and after motion made by Director Sprague and seconded by Director Oakley, the meeting was adjourned at approximately 11:30 a.m.

Adopted and approved this 5th day of February, 2015.



Jess Fields, Secretary-Treasurer



J. Kent Friedman, Chairman of the Board