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**HARRIS COUNTY – HOUSTON SPORTS AUTHORITY
MINUTES OF THE BOARD OF DIRECTORS MEETING**

Thursday, October 1, 2015

STATE OF TEXAS }
HARRIS COUNTY – HOUSTON }
SPORTS AUTHORITY }

A meeting of the Board of Directors (the “Board”) of the Harris County – Houston Sports Authority (the “Authority”), a sports and community venue district, was held in the O’Connell Board Room of the offices of the Greater Houston Convention and Visitors Bureau, 1331 Lamar Street, Suite 700, Houston, Texas, on Thursday, October 1, 2015, commencing at 10:00 a.m. Written notices of the meeting, including the date, hour, place and agenda for the meeting, were posted in Harris, Fort Bend and Montgomery Counties in accordance with the Texas Open Meetings Act. The following Directors participated in the meeting: Chairman J. Kent Friedman, Directors Philamena Baird, Joseph Callier, Gregory Compean, Stephen Fraga, Pam Gardner, Manson Johnson, Chau Nguyen, and Matthew Rogers, Jr. Ms. Janis Schmees Burke, Chief Executive Officer for the Authority; Mr. Tom Waggoner, Controller for the Authority; Mr. Gene Locke and Mr. Mark Arnold, Andrews Kurth LLP, Counsel for the Authority; and Mr. Trey Cash, First Southwest Company, Financial Advisor for the Authority; were also present. Guests in attendance were: Ms. Valoree Swanson, Harris County Tax Assessor-Collector’s office; Ms. Joanye Henderson, Harris County Commissioner R. Jack Cagle’s office; Mr. Doug Hall, 2016 NCAA Men’s Final Four; and Mr. Nicholas Fleming, student at South Texas College of Law, and son of the Authority’s former Board member, Mr. Michael Fleming.

1. Call to Order. Recognizing that a quorum was present, Chairman Friedman called the meeting to order at approximately 10:03 a.m. He then introduced The Reverend Arthur Callaham, Canon Vicar of Christ Church Cathedral in downtown Houston, who offered the invocation.

2. **Action on resolution recognizing the reappointment of Chairman J. Kent Friedman, Position No. 00, by the City of Houston and Commissioners Court of Harris County, Texas, to the Board of Directors of the Harris County – Houston Sports Authority; and swearing-in ceremony relating to same.** Chairman Friedman stated that he had been reappointed by the City and the County to another two-year term as Chairman of the Board of the Authority. Director Johnson administered the Oath of Office to Chairman Friedman.

3. **Action on resolution recognizing the reappointments by the Commissioners Court of Harris County, Texas, of Bruce D. Oakley, Position 10; and Joseph Alan Callier, Position 12, to the Board of Directors of the Harris County – Houston Sports Authority; and swearing-in ceremony relating to same.** Chairman Friedman noted that two other members of the Board of Directors had been reappointed for additional two-year terms. He stated that Director Oakley was not present, but would be sworn in at a later meeting. Chairman Friedman then administered the Oath of Office to Director Callier.

4. **Public Comments.** None.

5. **Chairman's Report.**

a. **Ad hoc committee update relating to the general upkeep of the professional sports stadiums, and other matters related thereto.** Chairman Friedman stated that an ad hoc committee had been formed to take an in-depth look at the existing stadiums to determine what needed to be done to improve and maintain them to ensure that they remain state-of-the-art. He noted that at the moment, a decision needs to be made as to whether a consultant should be retained and to define the scope of work that would be assigned to that consultant. Ms. Burke stated that the ad hoc committee had met with the Building Committee, and as a result of that meeting, had been tasked with performing a more in-depth study to determine what such a consultant would do. She stated that Mr. Hall had prepared a scope of work, and that will be provided to the ad hoc committee, who will review and in turn, make its recommendation at a publicly posted meeting of the Building Committee. Chairman Friedman noted that all of the stadiums appear to be in great shape, but that the Authority is charged with overseeing them on behalf of the City and County, and will be diligent in that regard.

b. **Update on status of plans for Board Retreat.** Chairman Friedman stated that plans to schedule a Board retreat, the purpose of which would be to provide an opportunity to discuss intermediate and long-term strategic plans for the future of the Authority, are ongoing. He noted that a search for a facilitator for the retreat is underway, and he asked the Directors to send any recommendations they might have to Ms. Burke.

c. **December Board meeting to be held on Wednesday, December 2.** Chairman Friedman reminded the Directors that the December Board meeting will not be held on the usual first Thursday due to scheduling conflicts, but will be held on Wednesday, December 2, and urged them to mark calendars accordingly.

d. **Discussion relating to Houston Equal Rights Ordinance.** Without discussing the pros and cons of the Ordinance, which is on the November 3 ballot, Chairman Friedman, without taking a position, pointed out that if that Ordinance fails, he believes that it may become very difficult to bring national sporting events to Houston. He cited the examples of Arizona and Indiana, whose legislatures had passed laws that were perceived as discriminatory against people. As a result of those laws, the NFL threatened to move the Super Bowl out of Arizona, and the NCAA threatened to remove a Final Four from Indianapolis. In both of these cases, the legislatures, which passed the laws, were able to rescind the laws. Chairman Friedman noted that this was not the case for Houston's Ordinance, stating that if it fails at the ballot box, it will not be easily or quickly turned around. He stated that, without commenting on the pros and cons of the Ordinance and purely from a sports marketing standpoint, he was concerned that if the Ordinance fails, that it could impact the world's perception of Houston as an open, welcoming city to all people, but to his knowledge, no formal indication of that has been received.

6. **Presentation and approval of the minutes from the Board Meeting held on August 6, 2015.** Chairman Friedman presented the draft minutes for the Board meeting held on August 6, 2015, which had been previously circulated for the Board's review. Director Compean moved that the minutes be approved, and Director Gardner seconded the motion. The motion passed unanimously.

7. **Discussion and possible action on resolution approving the request for a change to Chilled Water Contract Amendments and Guarantee Agreement which were approved by the Board on August 6, 2015, by Resolution No. 2015-15, to reflect a change in the identity of the Guarantor**

from BIF II, LLC, to correctly reflect the names of the new Guarantors, jointly and severally, to be (1) Brookfield Infrastructure Fund II-A (CR), L.P.; (2) Brookfield Infrastructure Fund II-A, L.P.; (3) Brookfield Infrastructure Fund II-B, L.P.; (4) Brookfield Infrastructure Fund II-C, L.P.; (5) Brookfield Infrastructure Fund II-D, L.P.; and (6) Brookfield Infrastructure Fund II-D (CR), L.P., each a Delaware limited partnership, and approving other matters related thereto.

Chairman Friedman received confirmation from Mr. Arnold that this item has been pulled from the Agenda for today's meeting. He summarized by stating that it related to the transfer of the Guarantee of the Chilled Water Agreement at Minute Maid Park from CenterPoint to another entity, which was approved at the August Board meeting. Subsequently, following the Board's approval, the Authority received notice that the name of the company approved as Guarantor by the Board was incorrect. He asked Mr. Arnold for an update.

Mr. Arnold stated that CenterPoint was the previous Guarantor of the Chilled Water Agreement at the Stadium, but sold its rights to a company called Brookfield Enwave and asked to be removed as the Guarantor to that Agreement. Brookfield Enwave provided financials for the Authority's review, and the approval of the transfer of the Guarantor from CenterPoint to Brookfield Enwave was approved by the Authority's Board in the August meeting.

Mr. Arnold reported that the attorneys for Brookfield Enwave subsequently called him to advise that the name of the company which was provided to the Authority and for which approval was given, was incorrect. The names of six funds, all part of a private equity fund group, were then provided to the Authority, but the financials given included the total of 23 entities that make up the group. Mr. Arnold and Mr. Waggoner have been working for the last two months to get enough information from them to understand the net worth of the six funds that are going to be severally liable under this Guarantee. We are waiting on a certification from their accountants that will break out the net worth of the six funds, and it is therefore, premature to ask for the Board's approval on this item today.

Chairman Friedman asked Mr. Waggoner to provide the financial update.

8. Financial Update.

a. Discussion and review of the 2015 year-to-date financials, and other matters related thereto.

Mr. Waggoner reported that the November 15, 2015, Debt Service Payments (principal and interest) were fully funded as of August 31, after the July 2015 revenues were posted to the funds.

Mr. Waggoner stated that year-to-date Motor Vehicle Rental Tax revenues are currently under budget by 2.8%, but are ahead of last year's actuals by approximately .5%. He said that the preliminary year-end projection of \$27,382,235 will be under budget by approximately .76%, but 2% higher than 2014.

Mr. Waggoner reported that year-to-date Hotel Occupancy Tax collections were over budget by 2.65%, but are behind last year's actuals by approximately 2%. He said that the preliminary year-end projection of \$32,183,764 will be under budget by approximately 2.78%, but 2.45% higher than 2014.

Mr. Waggoner further reported that all expenses are within budget.

Mr. Waggoner noted that the Authority's collections are not yet feeling the effects of the economic downturn. He reported that he attended Houston First's Hotel Occupancy Tax Stakeholder meeting just last week, and said that projections are down between four and six percent next year, and that they are looking at a 2017 recovery. Mr. Waggoner felt confident that we will be ahead on the debt structure in 2016, but will continue to monitor closely. Ms. Burke noted that 2014 was the highest collection year in history, but said that the Authority budgeted conservatively this year.

Chairman Friedman asked Ms. Burke to provide the Chief Executive Officer's Report.

9. Chief Executive Officer's Report.

a. Update on activities and sporting events.

- Ms. Burke asked Mr. Hall for an update on 2016 NCAA Men's Final Four.
 - Mr. Hall reported that the preliminary budget is on track, and also in terms of the reimbursement to the Authority.
 - He said there would be more community events surrounding the Final Four in the near future. A community event that he was particularly proud to report on is the Reading Challenge, which was tipped off at Blackshear Elementary in the Third Ward. This was funded by the NCAA, a great partner on assisting with community events surrounding the Final Four.

- He noted an event will be held at Market Square Park celebrating the tip-off of basketball season.
 - He said that Texas Southern University has been added as a third host institution.
 - The volunteer launch will kick off in November.
 - He noted that Houston is not on the rotation for the event for the next five years after 2016. The NCAA has stated that they will put out the bid package for the 2022 year in January, 2016, and wants Houston to participate in that process. Mr. Hall and Ms. Burke have discussed this, and the Authority will take the lead on putting that bid together, which is due in November.
 - Mr. Hall thanked the Authority for its support.
- Ms. Burke reported that a community-wide Marketing Committee for Major Events has been formed, and the focus is not just for sporting events. As examples, she noted major events such as the Democratic or Republic National Conventions, the Miss USA Beauty Pageant, etc. This is a group that will meet quarterly, and will be co-chaired by Mike Waterman, CEO of the Convention & Visitors Bureau, for the convention side of events; and by Ms. Burke for sporting events. Others making up this committee include the Authority's Chairman; Houston First's Chairman, Ric Campo; the professional teams' presidents; and representatives from the County Judge's and Mayor's offices. Chairman Friedman noted that the formation of this Committee should help greatly to coordinate efforts for the City and County on large events.
 - Ms. Burke reported that Houston's Gateway to Gold event was held September 20 at Turner Stadium in Humble, and it brought out more athletes than any other U. S. city. She said that this is a new talent identification program by the USOC Paralympic body that will introduce physically disabled and visually impaired persons to Paralympic sport. Houston's event produced three athletes who will be joining the training regimen.
 - After nearly four years in the making, the World Weightlifting Championships will be held at the George R. Brown Convention Center from November 20 through 28, 2015. For the first time in nearly 40 years, the Championships are returning to the United States. An estimated 850 competitors from over 100 countries have registered to date. This is an International Olympic Committee-sanctioned qualifier for the 2016 Rio de Janeiro Summer Olympic Games. It will be televised in 182 countries and over 900 million homes worldwide. This event will receive more worldwide broadcast attention than has ever given to the Championships, and our

broadcasting partners will bring Houston to the world. The International Weightlifting Federation has been very impressed with the broadcast coverage, and the amount of sponsorships – more than ever seen before. The United States holds the most Olympic Gold Medals in the sport of Weightlifting, but interest in the sport has been dwindling. One of the goals of this event is that interest in the sport is rekindled in the U. S. Ms. Burke then presented the marketing campaign, including various grass roots marketing efforts, Opening and Closing Ceremony plans, and all of the Texas-themed items for the medal ceremonies -- bronze, silver and gold medals on bolo ties, unique medal stands, cowboy hats and yellow roses. Throughout this process, Ms. Burke said that the Authority has developed an extremely close working relationship with USA Weightlifting, and is developing a good relationship with the International Weightlifting Federation. There have been many challenges, but they are being met and resolved. In response to Director Gardner's question about the budget, Ms. Burke responded that it is anticipated the event will break even, depending on the number of ticket sales.

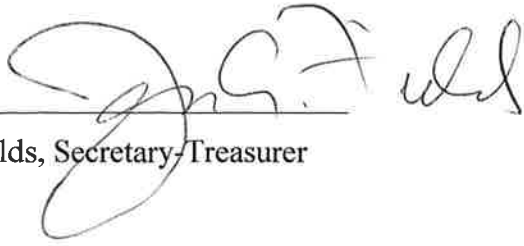
10. Chairman Friedman announced that, pursuant to provisions of Chapter 551, Texas Government Code, the Board shall deliberate in Executive Session on the following: Consultation with attorneys on legal matters; deliberation on real estate matters; and deliberation on personnel matters.

At approximately 10:57 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 11:58 a.m.

11. Comments by Directors.

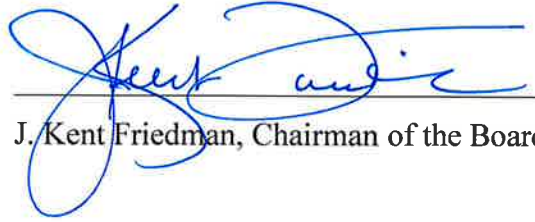
12. Adjournment. There being no further business to come before the Board, and after motion made by Director Fraga and seconded by Director Baird, the meeting was adjourned at approximately 11:59 a.m.

Adopted and approved this 2nd day of December, 2015.



A handwritten signature in black ink, appearing to read "Jess Fields", written over a horizontal line.

Jess Fields, Secretary-Treasurer



A handwritten signature in blue ink, appearing to read "J. Kent Friedman", written over a horizontal line.

J. Kent Friedman, Chairman of the Board