

Chairman Friedman reported that the City and County have approved the transaction, and the Authority's Special Board Meeting was called to consider whether the Authority was willing to approve the transaction. Before that is done, however, he stated that the Board needed to adjourn into Executive Session to confer with attorneys.

Before adjournment, Ms. Burke commented that this restructuring could not have taken place without the hard work and dedication of the Authority's attorneys, financial advisors, staff, and especially this Board of Directors, which has been led so well by its Chairman, Mr. Friedman. Chairman Friedman thanked Ms. Burke, and stated that this was truly a great team effort on the part of all of the Authority's partners.

3. EXECUTIVE SESSION: 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 552.072; and deliberation on personnel matters pursuant to Section 551.074.

At approximately 12:07 p.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 1:05 p.m.

Chairman Friedman asked Mr. Arnold to give a brief overview of the documents that the Board was being asked to approve.

Mr. Arnold stated that the agenda items are to approve three refinancing items and two settlement agreements related to the restructuring. The refinancing of a majority of the Authority's debt will be done using three tranches, the first of which is for bonds secured by the Hotel Occupancy Tax/Motor Vehicle Rental Tax and involves approximately \$580 million in par bonds; the second tranche will be secured solely by revenues from NRG Stadium, which will be about \$67 million in par bonds; and the third tranche will be secured by the Rockets' rent under Toyota Center, which is about \$56 million in par bonds. He stated that each transaction will not be cross-defaulted with any of the others and is being done in an effort to create debt service present value savings and to resolve the

current two lawsuits that are outstanding. He noted that in each of the resolutions, the Board was being asked to approve the issuance of a Preliminary Official Statement in connection with the HOT/MVRT transaction, and a Preliminary Limited Offering Memorandum in connection with the NRG Stadium transaction. The Rockets' transaction will be privately placed with New York Life, so there will be no documents for approval with New York Life. In addition, there will be Trust Indentures for the HOT/MVRT and NRG Stadium transactions, and an amendment to the Rockets' Lease to allow this transaction. Mr. Arnold then asked Mr. Thomas, the Authority's bond counsel, for comments.

Mr. Thomas added that the Board would be authorizing the Chairman to sign the final documents and to price the transactions. He noted that transcripts of the documents had been delivered to the Attorney General of the State of Texas for review and approval, which is required to issue bonds.

Mr. Arnold noted that the refinancing cannot be completed without the resolution of the two outstanding lawsuits with the current Trustee, Wilmington Trust, the current bond insurer, MBIA and National. He said that following the closing, the current Trustee will be replaced, and MBIA will be taking a lesser role going forward. Mr. Arnold asked Ms. Sandill for comments on the settlement agreements, and she stated that a standard settlement agreement has been reached with both Wilmington Trust, and MBIA and National, but will not be effective until the closing of the restructuring. Mr. Arnold then asked Mr. Bartolotta, the Authority's financial advisors, for comments about what the debt structure will look like after the restructuring is complete.

Mr. Bartolotta stated that after the closing, there will be a combination of existing debt and new debt outstanding from the restructuring, thereby reducing the debt service to a more manageable level with a two (2%) percent growth rate going forward from three (3%) percent. He noted that the ratings will be restored with the refinancing, with the Senior Lien Bonds going to A-1 from Standard & Poor's, and BBB- on the Junior Lien Bonds. Moody's has also rated the bonds A2 and A3, respectively, so the bonds will be investment grade with the restructuring.

Chairman Friedman called for a motion on the entire set of resolutions outlined in Item 4 below. Motion was made by Director Catuzzi, seconded by Director Fields, and passed unanimously.

4. Discussion and possible action on resolutions related to various matters concerning the issuance and sale of certain refunding bonds, payment of certain revenue bonds and obligations, redemption and payment of certain subordinate lien revenue bonds, approval of settlement

agreements for lawsuits involving the bond insurer and trustee and other matters related thereto; more particularly described below.

A. Matters concerning bonds related to hotel occupancy taxes, motor vehicle revenue taxes and Minute Maid Park:

Resolution authorizing the issuance, sale, and delivery of the Harris County-Houston Sports Authority Senior Lien Revenue Refunding Bonds, Series 2014A, Taxable Senior Lien Revenue Refunding Bonds, Series 2014B; and Second Lien Revenue Refunding Bonds, Series 2014C; authorizing designated officers of the Authority to approve certain terms thereof and other procedures regarding such bonds and matters incident thereto; approving the form and substance and authorizing the execution of a Fourth Amended and Restated Indenture of Trust, a Twenty-Fourth Supplemental Indenture of Trust, a Twenty-Fifth Supplemental Indenture of Trust, a Twenty-Sixth Supplemental Indenture of Trust, and a Twenty-Seventh Supplemental Indenture of Trust, an Amended and Restated Eighth Supplemental Indenture of Trust, an Amended and Restated Fifteenth Supplemental Indenture of Trust, an Amended and Restated Sixteenth Supplemental Indenture of Trust, an Amended and Restated Twentieth Supplemental Indenture of Trust, and an Amended and Restated Twenty-Second Supplemental Indenture of Trust; authorizing the redemption, as applicable, and payment of certain of the Authority's outstanding Senior Lien Special Revenue Bonds, Series 1998A, Junior Lien Special Revenue Bonds, Series 1998B, Taxable Junior Lien Special Revenue Bonds, Series 1998C, Senior Lien Revenue Refunding Bonds, Series 2001A, Junior Lien Revenue Refunding Bonds, Series 2001B, Senior Lien Revenue Bonds, Series 2001G, Taxable Senior Lien Revenue Bonds, Series 2001I; Subordinate Lien Revenue Notes, Series 2001D-1 and Series 2001D-2, and obligations payable to Harris County, Texas, Harris County Sports Corporation, Houston NFL Holdings, L.P. and RCM Financial Services, L.P.; approving a Bond Purchase Agreement; approving a Preliminary Official Statement, and authorizing a Final Official Statement; approving an escrow agreement; approving the purchase of bond insurance and a reimbursement and indemnity agreement with the bond insurer and amendments to existing credit agreements; approving a Reserve Fund Surety Policy or policies; affirming the imposition of a hotel occupancy tax and short-term motor vehicle rental tax; appointing a Bond Trustee and removing a Bond Trustee; waiving sovereign immunity; authorizing and ratifying other actions of the Authority; making certain findings and containing other provisions relating to the subject.

B. Matters concerning bonds related to NRG Stadium:

Resolution authorizing the issuance, sale, and delivery of the Harris County-Houston Sports Authority Taxable Revenue Refunding Bonds (NRG Stadium Project) Series 2014; authorizing designated officers of the Authority to approve certain terms thereof and other procedures regarding such bonds and matters incident thereto; approving the form and substance and authorizing the execution of an Indenture of Trust; authorizing the redemption of certain of the Authority's outstanding obligations payable to Harris County, Texas (including those arising from the note to RCM Financial Services, L.P.), Harris County Sports Corporation, and Houston NFL Holdings, L.P.; approving a Bond Purchase Agreement for such bonds; approving a Preliminary Limited Offering Memorandum, and authorizing a Final Limited Offering Memorandum; approving provision for escrow arrangements; Investor Letter and Non-Disclosure Agreement; approving an Amendment to Funding Agreement and an Amendment to Lease Agreement; affirming the imposition of a parking tax and admission tax and confirming Sales Tax Revenue Contribution Agreements; appointing a Bond Trustee; authorizing and ratifying other actions of the Authority; making certain findings and containing other provisions relating to the subject.

C. Matters concerning bonds related to Toyota Arena:

Resolution authorizing the issuance, sale, and delivery of the Harris County-Houston Sports Authority Taxable Revenue Refunding Bonds (Toyota Center Project) Series 2014; authorizing designated officers of the Authority to approve certain terms thereof and other procedures regarding such bonds and matters incident thereto; approving the form and substance and authorizing the execution of an Indenture of Trust; authorizing the redemption and payment of the Authority's outstanding Subordinate Lien Revenue Notes, Series 2001D-1 and Series 2001D-2; approving a Bond Purchase Agreement for such bonds; approving an Investor Letter; approving an Amendment to Lease Agreement; appointing a Bond Trustee; authorizing and ratifying other actions of the Authority; making certain findings and containing other provisions relating to the subject.

D. Matters related to the settlement of National Public Finance Guarantee Corp. and MBIA v. Harris County-Houston Sports Authority and Wilmington Trust v. Harris County-Houston Sports Authority, including the execution of settlement agreements and attendant releases.

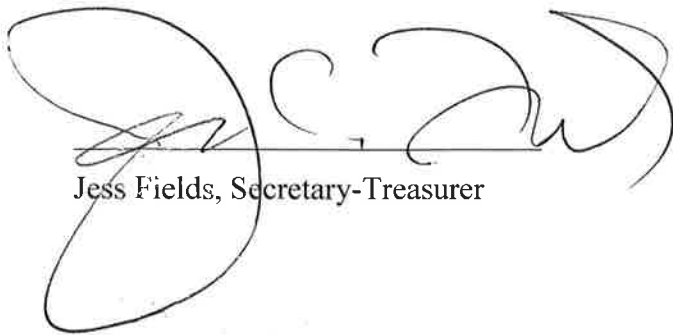
5. **Discussion and possible action on a resolution ratifying the execution of an Office Lease Agreement for additional office space on the 10th Floor of 1330 Lamar Street and other matters related thereto.**

Chairman Friedman called for a motion on this resolution. Motion was made by Director Gardner, seconded by Director Rogers, and passed unanimously.

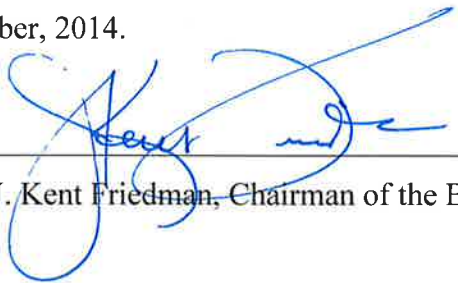
6. **Comments by Directors (if any).**

7. **Adjournment.** There being no further business to come before the Board, and after motion made by Director Compean and seconded by Director Sprague, the meeting was adjourned at approximately 1:25 p.m.

Adopted and approved this 4th day of December, 2014.



Jess Fields, Secretary-Treasurer



J. Kent Friedman, Chairman of the Board