HARRIS COUNTY – HOUSTON SPORTS AUTHORITY MINUTES OF THE SPECIAL BOARD OF DIRECTORS MEETING OCTOBER 7, 2020

STATE OF TEXAS	
HARRIS COUNTY – HOUSTON	
SPORTS AUTHORITY	٠

A Special 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 on Wednesday, October 7, commencing at 2:00 p.m. Written notices of the meeting, including the date, hour, place, agenda, and detailed instructions for connecting to the virtual meeting using Zoom Meetings, were posted in Harris, Fort Bend and Montgomery Counties in accordance with the Texas Open Meetings Act, and an electronic copy of the Agenda was posted on the Authority's website, as well. Due to health and safety concerns related to COVID-19, this meeting was conducted virtually in accordance with the provisions of Section 551.127 of the Texas Government Code that have not been suspended by order of the Governor.

The following Directors participated in the virtual meeting: Chairman J. Kent Friedman, Directors Willie Alexander, Chad Burke, Joseph Callier, Lawrence Catuzzi, Cindy Clifford, Zina Garrison, Martye Kendrick, Nomaan Husain, Bruce Oakley, Tom Sprague and Robert Woods; Ms. Janis Burke, CEO for the Authority; Mr. Tom Waggoner, Controller for the Authority; Mr. Phil Ochoa, Treasury and Investments Manager for the Authority; Mr. Mark Arnold, Hunton Andrews Kurth LLP, Counsel for the Authority; Mr. Trey Cash, Mr. Spencer Day and Ms. Tina Peterman, Masterson Advisors LLC, Financial Advisors for the Authority; and Mr. Neil Thomas and Mr. Dimitri Millas, Norton Rose Fulbright US LLP, Bond Counsel for the Authority.

1. <u>Call to order</u>. Recognizing that a quorum was present, Chairman Friedman called the meeting to order at approximately 2:00 p.m.

2. Discussion and possible action on Resolution Affirming and Authorizing the Issuance, Sale, and Delivery of the Harris County-Houston Sports Authority Senior Lien Revenue Refunding Bonds, Series 2020A, Taxable Senior Lien Revenue Refunding Bonds, Series 2020B, and Taxable Second Lien Revenue Refunding Bonds, Series 2020C; Affirming and Ratifying the Action of Designated Officers of the Issuer 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 Twenty-Eighth Supplemental Indenture of Trust, a Twenty-Ninth Supplemental Indenture of Trust, a Thirtieth Supplemental Indenture of Trust, and a Thirty-First Supplemental Indenture of Trust; Ratifying Approval of a Bond Purchase Agreement for each of the Senior Lien Revenue Refunding Bonds, Series 2020A, Taxable Senior Lien Revenue Refunding Bonds, Series 2020B, and Taxable Second Lien Revenue Refunding Bonds, Series 2020C; Approving the Official Statement; Approving the Purchase of Bond Insurance, Surety Policies and a Reimbursement and Indemnity Agreement; and Other Matters Relating Thereto. Chairman Friedman asked Ms. Peterman if she could please explain why the Board is being asked to approve this transaction again, when it was already approved in September.

Ms. Peterman began by congratulating the Authority on a very successful transaction. She said that the reception that the Authority's bonds received from investors was a testament to the strength of the Authority's leadership and willingness to make some difficult decisions under extraordinary circumstances, and the proven history of doing that over time.

Ms. Peterman said that the transaction that was initially undertaken contemplated a tender for existing bonds in conjunction with a refunding on a taxable basis of existing debt. She explained that until the tender was exercised and the Authority went through the tender process, it was unknown how much of the debt investors would be willing to make available for the Authority to purchase. She said that it turned out that investors were more than willing to accept the Authority's offer to purchase the bonds. This meant that more of the Authority's debt was able to be refunded on a taxexempt basis, at a lower cost of funds. So the Authority ended up issuing more tax-exempt debt and

less taxable debt than initially thought. She noted that the Astros payments are used to first pay

taxable debt, and because there is less taxable debt to allocate the Astros payment, there needs to be

a tweak in the flow of funds through 2024 such that Astros payments in excess of the Authority's debt

service may go to pay other items -- specifically, the Authority's General & Administrative expenses

and not have it leak out of the flow of funds.

Mr. Thomas noted that this sounded like a minor change, but it's actually a pretty significant

change in the way the bonds flow, but it has almost no economic effect whatsoever. As the

Authority's Bond Counsel, he thought that it was better to come back to the Board for final approval

of the slightly revised transaction, so that no one could challenge that in the future.

Ms. Burke said that it helps the Authority collect extra funds that can be used in case 2023

and 2024 are lean years and before we get to the date that a lot of the debt is callable. This keeps it

in the framework of being able to be used for paying down debt.

Chairman Friedman summarized by saying it is technical but not insignificant, and appropo

of Mr. Thomas' advice that the safer thing to do is to have the Board re-approve the transaction with

this change, he called this Special Meeting. He then asked for a motion to approve the resolution and

supporting documents that had previously been circulated and posted to the Authority's website.

Motion was made by Director Catuzzi, seconded by Director Clifford, and passed unanimously by

the Board members in attendance.

3. 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, 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. At approximately 2:30 p.m., the Board of Directors recessed into a closed

meeting to deliberate on the agenda items.

Harris County – Houston Sports Authority
Draft Minutes of the Special Board of Directors Meeting

Reconvene in Public Session and announce any items from Executive Session; discussion and possible action on such items. Following Executive Session, the Board reconvened in open session at 2:45 p.m.

Adjournment. There being no further business to come before the Board, and after motion made by Director Callier, seconded by Director Woods, and upon call for a vote of the Board, passed unanimously, and the meeting was adjourned at approximately 2:47 p.m.

Adopted and approved this 19th day of November, 2020.

J. Kent Friedman, Chairman of the Board

Laura Murillo, Secretary