

**SPORTS AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE
& DAVIDSON COUNTY**

Minutes of the December 11, 2007 Meeting of the Board of Directors
Sommet Center Meeting Rooms J-K
9:30 a.m.

Board Members: Arnett H. Bodenhamer, J.D. Elliott, Kitty Emery, Mike Hobbs, Cathy Bender Jackson, Kevin P. Lavender, Ralph Perrey, Helen Walker

Staff: Emmett Edwards (Sports Authority), Monica Clayton (Sports Authority), Sue Cain (Legal)

Titans/Cumberland Stadium: Steve Underwood, Don MacLachlan, Walter Overton

Predators/Powers Management: Hugh Lombardi, Dwayne Smith, Brock Jones, Melanie Ainsworth, Gerry Helper

Visitors: Larry Thrailkill

Mr. Kevin P. Lavender called the meeting to order at 9:30 a.m. Minutes from the September meeting were unanimously approved. Ms. Monica Clayton stated that under Metro Code of Laws (Ordinance No. BL2006-1050, § 2.68.030) notice must be given at all meetings that decisions of the Sports Authority Board may be appealed to the Chancery Court of Davidson County for review under a common law writ of certiorari. Any appeal must be filed within sixty days after entry of a final decision by the Board. Any person or other entity considering an appeal should consult with an attorney to ensure that time and procedural requirements are met. Mr. Lavender asked that visitors of the meeting state their name and the company/organization they represent.

LP Field Report

Mr. Lavender recognized Mr. Steve Underwood to give the LP Field Report. Mr. Underwood began by reporting that LP Field continues to be widely used, with more events currently on the docket than any time in the facility's history. Mr. Underwood additionally reported that the current capital expense summary had, again, been included in the Periodic Report distributed to the Board. Mr. Underwood announced that the informal long range capital study committee, consisting of Ralph Perrey, Emmet Edwards and Mr. Underwood, met in June for an overview of capital needs as well as the current standing. Mr. Underwood reminded the Board that two studies have called for long term expenses between \$75 and \$100 million over the course of the lease. The studies also predicted more capital needs from 2004-2007 than have actually been required. He further reminded the Board that the Metropolitan Government can enact a ticket tax beginning in the 2011 season. The Titans estimate that the ticket tax will generate a maximum of \$3 million per year. Revenue from the ticket tax, coupled with Metro's \$1 million annual contribution could generate approximately \$60 million over the remainder of the lease. Based on the foreseeable future, this figure would cover 60-80% of the long term capital needs of the facility. Mr. Underwood stated that, while he sees no cause for major concerns over the short and medium term, the committee will continue to meet and discuss future options. Mr. Ralph Perrey agreed that the committee will continue to meet to stay ahead of the curve, and that while some big ticket items will likely surface around 2012, there is a reasonable way to figure them in. Both Mr. Underwood and Mr. Perrey agreed that there are no needs requiring immediate attention, and Mr. Lavender asked the committee to reach out to Metro's new Finance Director, Richard Riebling and to keep him abreast of the situation.

Nashville Sports Council Update

Mr. Underwood recognized Mr. Scott Ramsey to give the Nashville Sports Council (NSC) Update. Mr. Ramsey first noted that the NSC Annual Report has been distributed to the Board, Metro Council, and NSC stakeholders/members. He continued by reporting that this is the 5th consecutive year that the NSC has exceeded \$30 million in economic impact. This year the NSC had more than 250,000 people who attended, participated in, or volunteered at events.

With respect to the Music City Bowl, Mr. Ramsey reported that this year's bowl is the 10th anniversary and 2nd consecutive sell out. The game will be between Kentucky and Florida State and is the second year of a four year agreement with the Southeastern Conference (SEC) and the Atlantic Coast Conference (ACC). 40,000+ people are expected to visit Music City and attend the game.

Finally, Mr. Ramsey reported that the Nashville Sports Council will host the 2008 SEC Women's Basketball Tournament in March. It is the third time that the NSC has hosted the event in six years.

The Sommet Center Report

Mr. Lavender recognized Mr. Hugh Lombardi to give the Sommet Center Report. Mr. Lombardi began by announcing that The Sommet Center has been nominated for Arena of the Year Award by Poll Star magazine. Eight arenas have been nominating including Madison Square Garden and the Staples Center. Mr. Lombardi continued by reporting that October was a very solid month for the arena. Actual Total Revenue was \$476,979 compared to the budgeted \$310,111. Actual Total Operating Expenses were \$686,695 compared to the budgeted \$649,534. Year to Date, the Sommet Center is \$670, 219 under budget.

Mr. Lombardi further reported that November was also a very strong month highlighted with shows such as Hannah Montana, the CMA Awards Show, Keith Urban and the Blue Man Group.

Other Business

Mr. Lavender thanked the Board for attending the off-schedule meeting, and informed them that he had asked Larry Thrailkill and Sue Cain to brief the Board on where things stand with the Predators lease amendments. Mr. Lavender noted that final documents have not been received by the Board and recognized Mr. Thrailkill to address the Board.

Mr. Thrailkill stated that he would take the Board through the term sheet that has been in the media as well as the comparison provisions for both the Operating and Management Agreement and the License and Use Agreement. He reported that the National Hockey League (NHL) approved the local ownership group at its meeting a couple of weeks ago and that the local group has closed on its acquisition of the team. Mr. Thrailkill further reported that the documents pertaining to the lease amendments to both the Operating and Management Agreement and the License and Use Agreement are still being drafted and are not final. A resolution has not been filed with the Council and the earliest the Council could consider the matter is at the January 15th meeting. Mr. Thrailkill reminded the Board that the Sports Authority must approve the final documents before the Council can. Mr. Lavender added that the Sports Authority and the Metro Council may come together for a joint meeting(s) with the goal of getting both bodies on the same page. Following the update, Mr. Thrailkill walked the Board through the Comparison of Key Provisions for both License and Use Agreement (Attachment A) and the Operating and Management Agreement (Attachment B). Mr. Thrailkill noted that these documents, once adopted, will be retroactive back to July 1, 2007.

There being no other business, the meeting adjourned.