MINUTES OF THE 24th MEETING OF THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE & DAVIDSON COUNTY

The 24th meeting of the Convention Center Authority of the Metropolitan Government of Nashville and Davidson County (CCA) was held on November 3, 2011 at 8:04 a.m., in Room 206 at the Nashville Convention Center, Nashville, Tennessee.

AUTHORITY MEMBERS PRESENT: Francis Guess, Vonda McDaniel, Willie McDonald, Luke Simons, Mona Lisa Warren and Leo Waters

AUTHORITY MEMBERS NOT PRESENT: Mark Arnold, Marty Dickens, Ken Levitan, and Vice-Mayor Diane Neighbors, Ex-Officio

OTHERS PRESENT: Larry Atema, Charles Robert Bone, Rich Riebeling, Charles Starks, Barbara Solari, Mark Sturtevant, Ryan Johnson, Terry Clements, Kim McDoniel, Eileen McGinn, Roxianne Bethune, Debbie Frank, Peter Heidenreich, Holly McCall, Kelvin Jones, Bill Phillips, Tod Roadarmel, Patrick Holcombe, Brian Ivey, Gary Schalmo, Bob Lackey, Ben Hall, News Channel 5 and News Channel 4

The meeting was opened for business by Vice-Chair Vonda McDaniel who stated that a quorum was present.

ACTION: Appeal of Decisions from the Convention Center Authority of the Metropolitan Government of Nashville and Davidson County – Pursuant to the provisions of § 2.68.030 of the Metropolitan Code of Laws, please take notice that decisions of the Convention Center Authority may be appealed to the Chancery Court of Davidson County for review under a common law writ of certiorari. These appeals must be filed within sixty days after entry of a final decision by the Authority. Any person or other entity considering an appeal should consult with private legal counsel to ensure that any such appeals are timely and that all procedural requirements are met.

Ms. McDaniel announced that the next scheduled meeting of the CCA is December 1, 2011 at 8:00am.

ACTION: Willie McDonald made a motion to approve the 23rd Meeting Minutes of September 8, 2011. The motion was seconded by Francis Guess and approved unanimously by the Authority.

Leo Waters reported on the Construction & Development Committee meeting. Mark Sturtevant was asked to discuss the Omni and Country Music Hall of Fame plans.

ACTION: Leo Waters made a motion to approve the Omni and Country Music Hall of Fame design plans (100% design development drawings) as reviewed and recommended by the Construction and Development Committee and for the committee to next review the plans when they are complete unless there are major changes prior to that time. The motion was seconded by Luke Simons and approved unanimously by the Authority.

Vonda McDaniel noted the DBE & Procurement Committee had met. A workforce development update was given out by Debbie Frank. (Attachment #1) Roxianne Bethune then gave a report on the Music City Center and Omni DBE participation. (Attachment #2)

Willie McDonald reported on the Finance & Audit Committee meeting.

Mr. Guess requested to return to and further discuss the DBE report.

Then Eileen McGinn was asked to give the KPMG audit report. (Attachment #2) There was discussion.

ACTION: Willie McDonald made a motion to accept the audit of the financial statements of the Convention Center Authority as of June 30, 2011. The motion was seconded by Luke Simons and approved unanimously by the Authority.

Ryan Johnson was asked to give a budget update. (Attachment #2)

Mona Lisa Warren reported on the Marketing & Operations Committee meeting. Debbie Frank gave a report on the commissioned art. (Attachment #2) There was discussion.

ACTION: Luke Simons made a motion to accept the Marketing and Operations Committee's commissioned art recommendations (as previously recommended by the Public Art Committee). The motion was seconded by Willie McDonald and approved unanimously by the Authority.

Gary Schalmo then gave a project update. (Attachment #2)

Charles Robert Bone was asked to discuss the right of entry for the NES substation.

ACTION: Leo Waters made a motion to ratify the extension of the right of entry and affirming the project staff's authority to execute all documents and take any actions necessary or appropriate to formalize this extension. The motion was seconded by Willie McDonald and approved unanimously by the Authority.

Charles Robert Bone was then asked to give an update on the Omni and Country Music Hall of Fame expansion. (Attachment #3 and #4)

ACTION: Leo Waters made a motion to approve the Second Amendment to the Development Agreement for the Hall of Fame Expansion Project with Omni Nashville, LLC and authorizing Mr. Dickens, or in his absence Vonda McDaniel as Vice-Chair, to execute the Amendment and any related documents and take any actions necessary or appropriate to formalize that amendment. The motion was seconded by Luke Simons and approved by the Authority with Francis Guess abstaining.

ACTION: Leo Waters made a motion to authorize the Authority to enter into a Second Amendment to the Development, Lease and Operating Agreement for the Hall of Fame Expansion Project with the Country Music Foundation, Inc. in accordance with the discussion this morning and authorizing Mr. Dickens, or in his absence Vonda McDaniel as Vice-Chair, to execute the Amendment and take any actions necessary or appropriate to formalize and finalize that amendment. The motion was seconded by Luke Simons and approved by the Authority with Francis Guess abstaining.

Charles Starks then gave a tax collection update. (Attachment #2)

Tod Roadarmel, Director of Sales & Marketing for the Omni Nashville, was then introduced to share the Omni sales presentation. (Attachment #2)

With no additional business a motion was made to adjourn, with no objection the CCA adjourned at 9:30 a.m.

Respectfully submitted,

Charles L. Starks
Executive Director
Nashville Convention Center

Approved:

Vonda McDaniel, Vice-Chair
CCA 24th Meeting Minutes
of November 3, 2011

Music City CENTER

Project Management & Development

MCC Workforce Development Summary Report

October 28, 2011

Applicant Status

- 286 applicants hired through recruitment efforts of the MCC Workforce Program.
- 17 United States Veterans hired.
- Workforce Program supplies 30% of the project's workforce; 97% Middle TN hires.
- Database over 4,000 technical, skilled, and unskilled laborers.

Community Partnerships / Job Training

- 25 community partners- notably TN Career Centers, Urban League, Martha O'Bryan Centers.
- 1,600 total people referred for job training:

  a. 37 applicants OSHA 10-Hour Construction Safety Certified
  b. 12 enrolled in G.E.D. prep training
  c. 6 referred for union apprenticeship opportunities

- 15% of all people hired through the program receive pre-employment training.

Sub-Contractors

- 70 participating prime and sub-contractors.
- Referral relationships with Plumbers and Pipefitters Local #572, International Brotherhood of Electricians Local #429, and Southeast Laborers Local #386.
- September 2011 marked record breaking hires in a single week- 15 workers.

Omni Hotel

- 2 applicants hired at Brasfield & Gorrie in concrete forming field.
- Recurring interviews every Tuesday and Thursday with Brasfield & Gorrie senior superintendent.
- Program staff participates in sub-contractor start- up meetings and community outreach affairs.
- All open positions at this site are posted on the TN Career Center website and interested applicants can apply at the MCC Workforce trailer. This makes the MCC Workforce Program the primary recruiting source for both projects.

Convention Center Authority

November 3, 2011

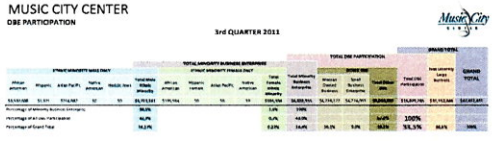
Appeal of Decisions

Appeal of Decisions from the Convention Center Authority – *Pursuant to the provisions of 2.68.030 of the Metropolitan Code of Laws, please take notice that decisions of the Convention Center Authority may be appealed to the Chancery Court of Davidson County for review under a common law writ of certiorari. These appeals must be filed within sixty days after entry of a final decision by the Authority. Any person or other entity considering an appeal should consult with private legal counsel to ensure that any such appeals are timely and that all procedural requirements are met.*

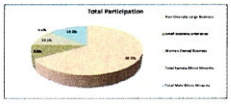
Construction & Development Committee

DBE & Procurement Committee

MUSIC CITY CENTER
DBE PARTICIPATION
3rd QUARTER 2011



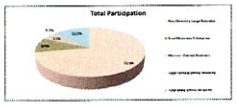
DBE PARTICIPATION SUMMARY	% OF TOTAL
MINORITY OWNED BUSINESSES	14.4%
WOMEN OWNED BUSINESSES	10.1%
SMALL BUSINESS ENTERPRISE	9.0%
TOTAL	33.5%



MUSIC CITY CENTER
DBE PARTICIPATION

PROJECT TO DATE
As of 9/30/2011

DBE PARTICIPATION SUMMARY	% OF TOTAL	# OF COMPANIES
MINORITY OWNED BUSINESSES	12.6%	63
WOMEN OWNED BUSINESSES	5.5%	47
SMALL BUSINESS ENTERPRISE	9.4%	59
TOTAL	27.5%	169



DBE PARTCIPATION VENDORS
3rd Quarter 2011

MBE - 12.6%
- Alpha
- Artisan/Salton
- Gipson Mechanical
- GIC
- Harmony
- MIG
- MME
- Moody Nolan
- Randolph & Co.
- Shrop-Vickers (JV)
- Southeastern Construction
- Sunago Builders
- TRC Worldwide

SBE- 9.4%
- Concrete Pump Partners
- Crawford Doors
- Hannah Company
- James & Associates
- John W. McDougall
- Nashville High Lift
- Structural Bolt
- Tuck Hinton
- ULCSE, Inc.

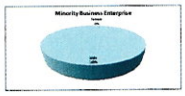
WBE – 5.5%
- CGI Electric
- Cookeville Glass & Mirror
- Hicks Ingles
- I.S. Engineering & Utilities
- Logik Inc.
- Ram Tool

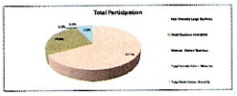
Note: Contractors highlighted for receiving the bulk of the DBE dollars for 3rd Quarter 2011 (blue arrows = indicate vendors receiving at least $500,000 and above, red arrows = indicate $1M and above).

OMNI HOTEL - NASHVILLE
DBE PARTICIPATION

PROJECT TO DATE
AS OF 10-20-2011

DBE PARTICIPATION SUMMARY	% OF TOTAL	# OF COMPANIES
MINORITY OWNED BUSINESSES	7.1%	1
WOMEN OWNED BUSINESSES	0.0%	0
SMALL BUSINESS ENTERPRISE	25.0%	1
TOTAL	32.9%	2

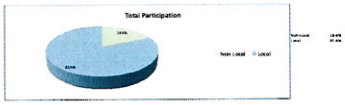




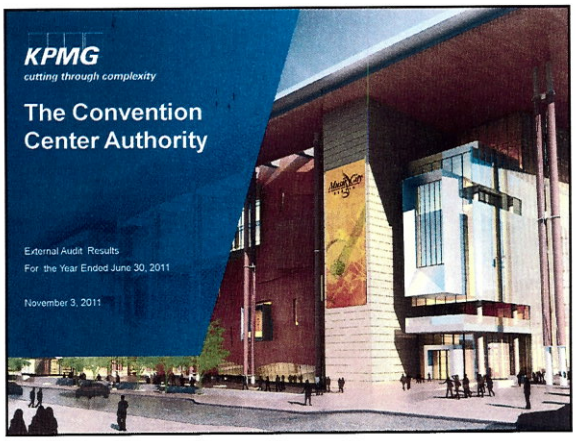
OMNI NASHVILLE HOTEL & CMHF EXPANSION
LOCAL PARTICIPATION

PROJECT TO DATE
AS OF 10-20-2011

TOTAL LOCAL PARTICIPATION	81.4%	5



Finance & Audit Committee



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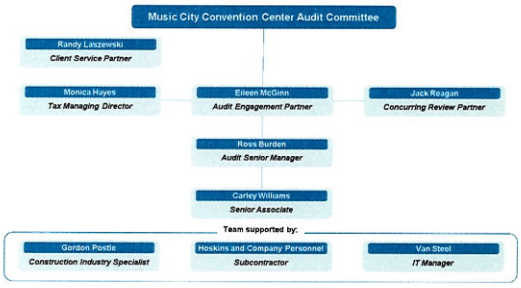
KPMG's Client Service Team



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KPMG's Audit Responsibility

We have a responsibility to conduct our audit in accordance with professional auditing standards.

- AICPA
- Government Auditing Standards

In carrying out this responsibility, we plan and perform the audit to obtain reasonable – not absolute – assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud.

We have no responsibility to obtain reasonable assurance that misstatements that are not material are detected.

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KPMG's Independence

KPMG has established an integrated and comprehensive system of quality control over independence that includes a framework of detailed policies and procedures supported by sophisticated, web-based, electronic systems and a dedicated group of experienced professionals to provide technical guidance and support.

Our system seeks to ensure compliance with all guidelines established by the AICPA Independence Standards Board and Government Accountability Office including:

- Restrictions on financial interests in the debt securities of the Convention Center Authority
- Restrictions on consulting and information technology services, as well as placing restrictions on the types of "non-audit" services that can be provided by KPMG to the Convention Center Authority
- Annually, report to the Audit Committee the status of KPMG's independence with respect to the Convention Center Authority

KPMG is compliant with all established independence guidelines.

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Approach to Fraud Risks – How KPMG Addresses Fraud Risks in the Audit

Identification of fraud risks

- Perform risk assessment procedures to identify fraud risks, both at the financial statement level and at the assertion level
- Discuss among the engagement team the susceptibility to fraud
- Inquire of management, internal audit, audit committee, and others
- Evaluate broad programs/controls that prevent, deter, and detect fraud

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Audit Scope, Reports, and Other Deliverables

Audit Scope	
Applicable financial reporting framework	• Accounting principles generally accepted in the United States of America
Scope of work	• Audit of financial statements and issuance of other deliverables as of the year ended June 30, 2011
Applicable auditing standards	• Auditing standards generally accepted in the United States of America as issued by the Auditing Standards Board of the American Institute of Certified Public Accountants. • *Government Auditing Standards*

Audit Report	Status
• Auditors' report on the financial statements of the Convention Center Authority	• Unqualified opinion
Other Deliverables	**Status**
• Letter regarding internal control • Material written communications between KPMG and management	• No Material Weaknesses Identified • Report issued

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Required Communications

KPMG's responsibility under generally accepted auditing standards and *Government Auditing Standards*	▪ Express our opinion on the financial statements based on our audits ▪ Assess risk that financial statements may contain a material misstatement ▪ Consider internal control structure/secure understanding of accounting systems
Accounting Policies	▪ Policies adopted for Convention Center Authority are customary for industry and scope of activities – described in Note 1 to financial statements ▪ No significant changes for 2011
Consideration of Internal Control Structure	▪ No material weaknesses in internal controls were noted during the year ended June 30, 2011 ▪ Scope of work performed on internal controls not sufficient to render an opinion on effectiveness of internal controls
Disagreements with Management	There were no disagreements with management on financial accounting and reporting matters that, if not satisfactorily resolved, would have caused a modification of our report on the Authority's financial statements.
Consultation with Other Accountants	To the best of our knowledge, management has not consulted with or obtained opinions, written or oral, from other independent accountants during the year ended June 30, 2011.
Major Issues Discussed with Management Prior to Retention	Retention was pursuant to a competitive bid proposal effort. There were no preconditions to retention.

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Required Communications (continued)

Risks Requiring Extensive Audit Procedures	Risks requiring extensive audit procedures were as follows: ▪ Existence and valuation of invested bond proceeds held for future Convention Center construction expenditures ▪ Completeness and accuracy of capitalization of construction work-in-progress ▪ Litigation accruals and disclosures ▪ Self-insurance exposure related to property, builder's risk, worker's compensation, automobile, and general liability claims and other expenses
Difficulties Encountered in Performing the Audit	We encountered no difficulties in dealing with management and appreciated their cooperation while performing our audit.
Significant Written Communications Between KPMG and Management	In accordance with the communications requirements of SAS No. 115, a copy of the following material written communications between management and KPMG are included in Appendix A of this presentation (Management Representation Letter & Engagement Letter).
Review of other Information	▪ Our responsibility for other information in documents containing the Convention Center Authority's financial statements and our report thereon does not extend beyond the financial information identified in our report, and we have no obligation to perform and procedures to corroborate other information contained in these documents. ▪ We have read the other information included in the Convention Center Authority's financial statements. ▪ No matters came to our attention that cause us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

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Required Communications (continued)

Audit Differences

- Corrected
  - None identified.
- Uncorrected
  - None identified.

Internal Control Recommendations Communicated to Management

- No material weaknesses noted.

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Subsequent Event

On August 18, 2011, an order of judgment was entered against the Metropolitan Development and Housing Agency (MDHA) following the trial of an eminent domain case on the issue of compensation for one of the parcels of land condemned for the Music City Center. The Authority is contractually responsible for all costs associated with this judgment. The Authority had originally deposited $14,800,000 for the parcel, followed by another $1,300,000 after an earlier court action. The latest judgment was for an additional $14,300,000, plus $1,254,000 interest through the judgment date and 10% interest per annum on the balance of the unpaid judgment. A motion for a new trial has been filed by MDHA asking that the verdict be set aside. Although the ultimate outcome of this litigation cannot be determined at present, the Authority has recorded a liability of $15,554,000 related to this matter. MDHA has asserted that the trial evidence preponderated against the verdict and that the judgment should not stand. Accordingly, the verdict is being contested vigorously.

There are two additional condemnation cases related to parcels for which a total of $6,575,000 has been deposited with the court. Neither case is currently set for trial.

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KPMG Contact Information

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Appendix A:

Other Audit Committee Materials

KPMG

cutting through complexity

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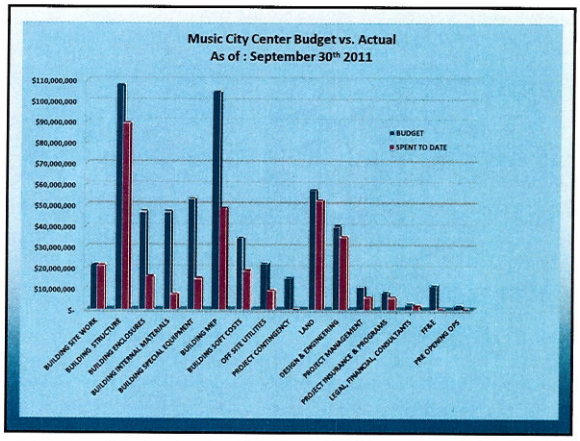
MUSIC CITY CENTER BUDGET SUMMARY

As of: September 30th 2011

MCC MASTER BUDGET	BUDGET	SPENT TO DATE	REMAINING BUDGET	COST TO COMPLETE	VARIANCE
BUILDING SITE WORK	21,488,346	21,378,715	109,631	109,631	-
BUILDING STRUCTURE	107,388,945	89,200,317	18,188,628	18,188,628	-
BUILDING ENCLOSURES	46,942,760	15,977,513	30,965,247	30,965,247	-
BUILDING INTERNAL MATERIALS	46,926,606	7,612,034	39,314,572	39,314,572	-
BUILDING SPECIAL EQUIPMENT	53,387,442	14,805,371	38,562,071	38,562,071	-
BUILDING MEP	104,444,538	48,573,067	55,871,471	55,871,471	-
BUILDING SOFT COSTS	34,441,363	18,596,166	15,845,197	15,845,197	-
CONSTRUCTION SUBTOTAL	**415,000,000**	**216,143,183**	**198,856,817**	**198,856,817**	-
OFF SITE UTILITIES	22,044,757	9,113,727	12,931,030	12,931,030	-
PROJECT CONTINGENCY	15,000,000	-	15,000,000	15,000,000	-
LAND	57,000,000	52,300,750	4,699,250	4,699,250	-
DESIGN & ENGINEERING	40,189,684	35,072,158	5,117,526	5,117,526	-
PROJECT MANAGEMENT	10,993,758	5,972,061	5,021,697	5,021,697	-
PROJECT INSURANCE & PROGRAMS	8,252,322	5,780,322	2,471,999	2,471,999	-
LEGAL, FINANCIAL, CONSULTANTS	2,869,480	1,912,342	957,138	957,138	-
FF&E	11,650,000	147,500	11,502,500	11,502,500	-
PRE OPENING OPS	2,000,000	-	2,000,000	2,000,000	-
TOTAL	**585,000,000**	**326,442,040**	**258,557,957**	**258,557,957**	-



Marketing & Operations Committee

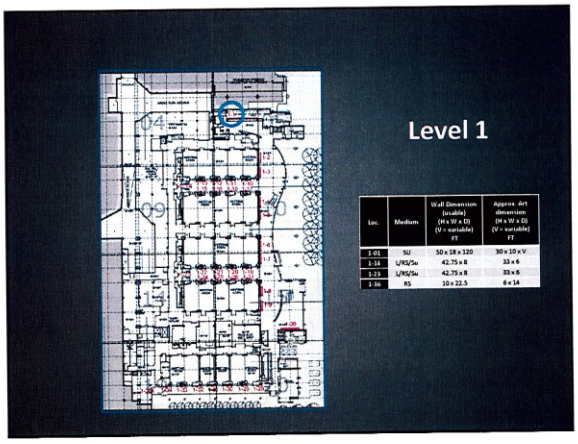
MCC Art Program
Commissioned Artists

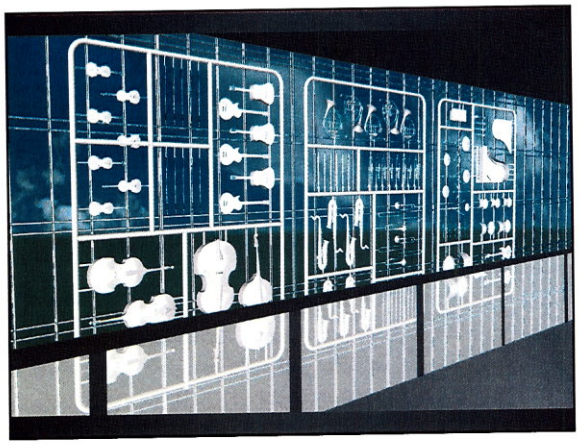
November 3, 2011

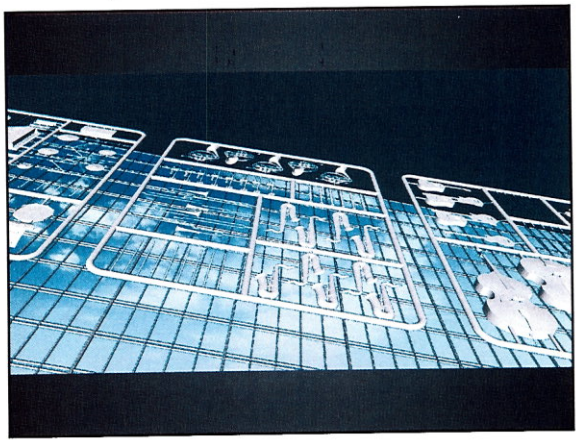
Aaron Stephan

Location 1-01

(5th Ave/Demonbreun St)



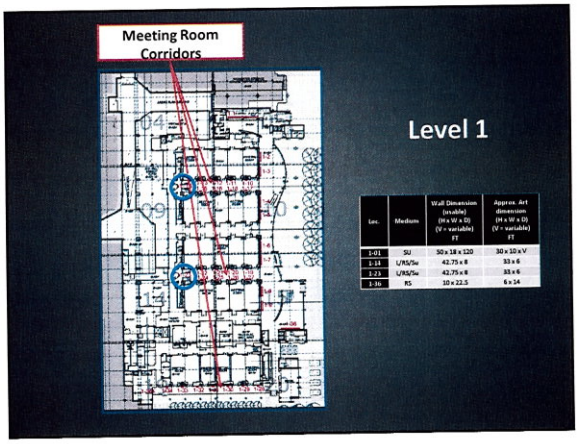


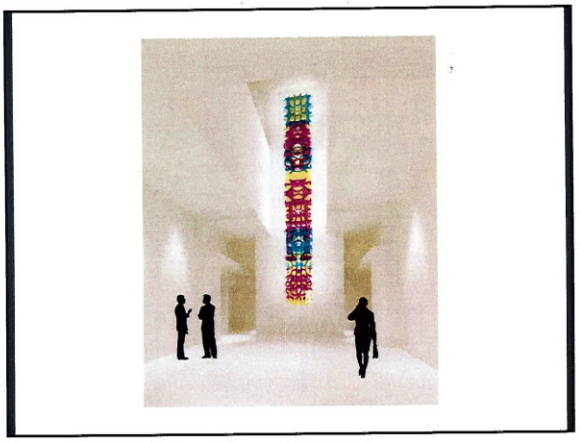


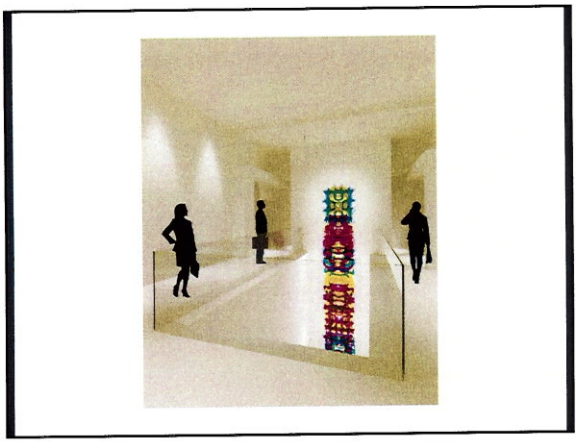
Phillip Smith

Locations 1-14 and 1-23

(Meeting Room Corridors)



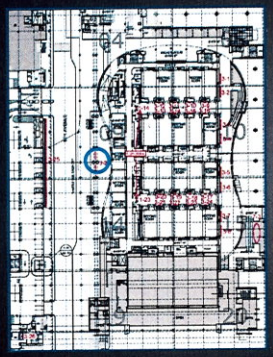




Beth Galston

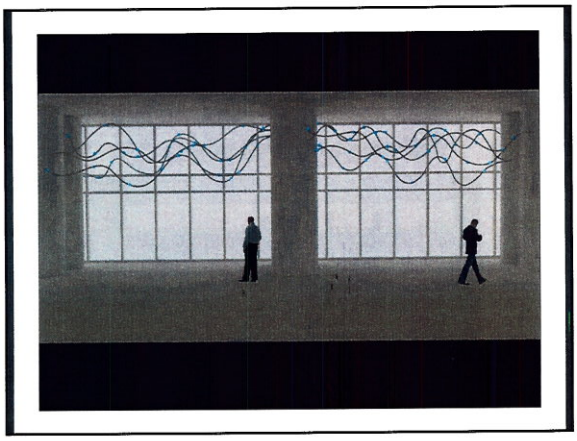
Location 3-27

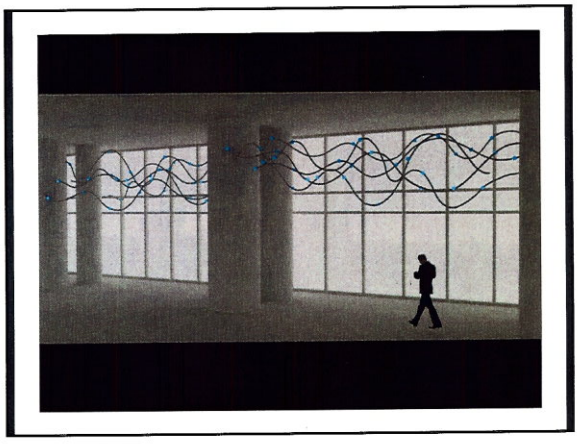
(6th Ave Lobby)



Level 3

Loc.	Medium	Wall Dimension (usable) (H x W x D) (V = variable) FT	Approx. Art dimension (H x W x D) (V = variable) FT
3-25	Mi Design fee overlay	15 X 165	15' X 165'
3-27	Su	20 x 50 x 17	10 x 40 x 15



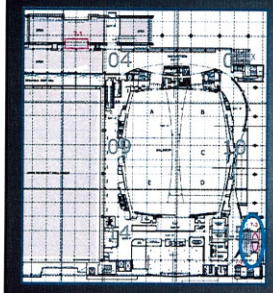


Benjamin Ball

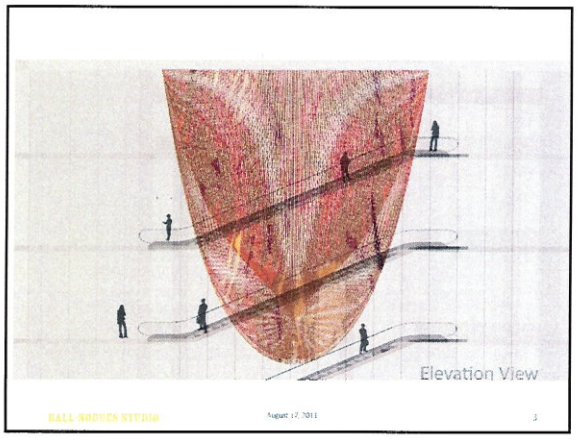
Location 7-03

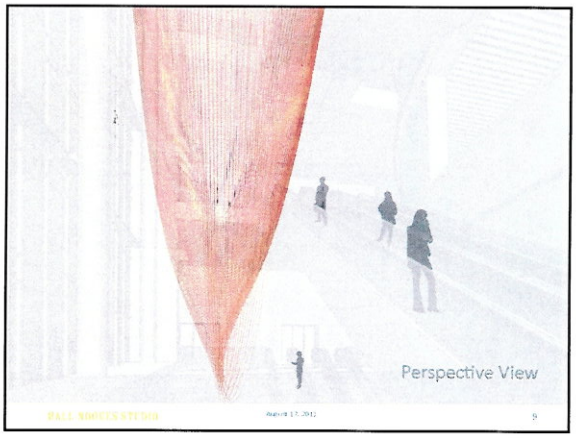
(5th Ave across from the Omni Hotel)

Level 7



Loc.	Medium	Wall Dimension (usable) (H x W x D) (V = variable) FT	Approx. Art dimension (H x W x D) (V = variable) FT
7-01	Su	57.5 x 50 x 5	30 x 30 x 20
7-03	Su	80 x 70 x 26	80 x 54 x 20





BELL CLARK CONSTRUCTION

A JOINT VENTURE

In Association with harmony

•NES leave-out concrete work is complete

BELL CLARK CONSTRUCTION
A JOINT VENTURE
In Association with harmony

•Exhibit Hall truss jacking is nearing completion

BELL CLARK CONSTRUCTION
A JOINT VENTURE
In Association with harmony

•Steel Work along the main concourse in building B is underway
•Curtain wall along the main concourse in building A is nearing completion

BELL CLARK CONSTRUCTION
A JOINT VENTURE
In Association with harmony

•Curtain Wall & Stone are being installed along Demonbreun

BELL CLARK CONSTRUCTION
A JOINT VENTURE
In Association with harmony

•Back-up steel support is being installed along 5th Avenue

BELL CLARK CONSTRUCTION
A JOINT VENTURE
In Association with harmony

•Brick and Metal Panels continue down KVB

BELL CLARK CONSTRUCTION
A JOINT VENTURE
In Association with harmony

•The roof is being installed on A and B buildings

BELL CLARK CONSTRUCTION
A JOINT VENTURE
In Association with harmony

•Mechanical, Electrical and Plumbing work continues through-out the building

BELL CLARK CONSTRUCTION
A JOINT VENTURE
In Association with harmony

•Masonry is being installed in the Exhibit Hall and Truck Dock

BELL CLARK CONSTRUCTION
A JOINT VENTURE
In Association with harmony

•Level 1 Meeting Rooms are taking shape

MCC/Hotel Tax Collection

As of August 31, 2011

	2/5 of 5% Occupancy Tax	Net 1% Occupancy Tax	$2 Room Tax	Contracted Vehicle Tax	Rental Vehicle Tax	Total	Variance to FY 09-10
July	$950,195	$372,222	$950,065	$41,145	$107,934	$2,421,562	23.11%
August	$897,050	$353,000	$887,063	$50,318	$107,305	$2,294,735	40.63%
September							
October							
November							
December							
January							
February							
March							
April							
May							
June							
YTD Total	$1,847,245	$725,222	$1,837,128	$91,463	$215,239	$4,716,297	31.05%

These numbers are still subject to change by Metro/Division of Accounts Auditors

MCC/Hotel Tax Collection

August Total Tax Collections

	2010	2011	Variance
5% Occupancy Tax	$1,429,925	$2,242,625	56.84%
Gross 1% Occupancy Tax	$285,985	$448,525	56.84%
$2 Room Tax	$650,374	$887,063	36.39%
Contracted Vehicle	$27,345	$50,318	84.01%
Rental Vehicle	$96,061	$107,305	11.71%
$.50 Room Tax	$162,545	$221,766	36.43%
Total Collections	**$2,652,235**	**$3,957,601**	**49.22%**
Total YTD Collections	**$5,863,867**	**$8,144,848**	**38.90%**

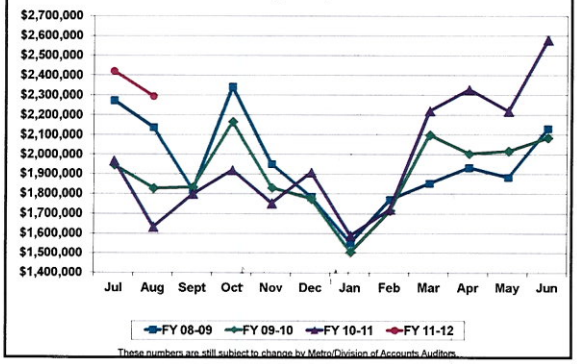
MCC Portion of August Tax Collections

	2010	2011	Variance
2/5 of 5% Occupancy Tax	$571,970	$897,050	56.84%
Net 1% Occupancy Tax	$285,985	$353,000	23.43%
$2 Room Tax	$650,374	$887,063	36.39%
Contracted Vehicle	$27,345	$50,318	84.01%
Rental Vehicle	$96,061	$107,305	11.71%
MCC Collections	**$1,631,735**	**$2,294,735**	**40.63%**
MCC YTD Collections	**$3,598,782**	**$4,716,297**	**31.05%**

These numbers are still subject to change by Metro/Division of Accounts Auditors

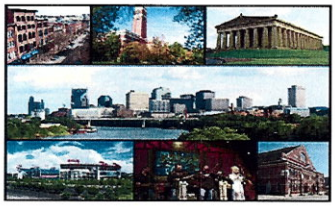
MCC Tax Collections

As of August 31, 2011



These numbers are still subject to change by Metro/Division of Accounts Auditors

nashville, tennessee
"Music City USA"



OMNI HOTELS & RESORTS

omni nashville hotel
nashville, tennessee

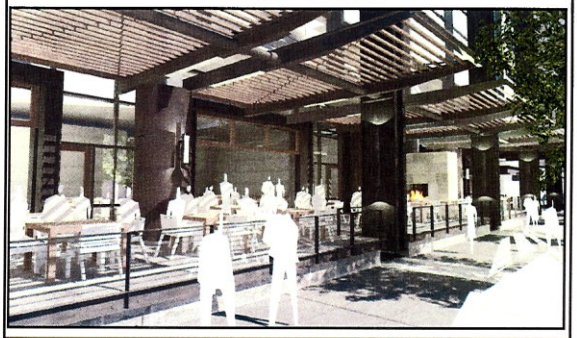
- Opening January 2014
- 800 Guest Rooms & Suites
- 80,000 Sq Ft of Meeting Space
  - 25,000 Sq. Ft. Ballroom
  - 15,000 Sq. Ft. Ballroom
- 24 Hour Business Center
- Pool & Event Roof Terrace
- Full Service Spa & Fitness Center
- Connected to the Country Music Hall of Fame and Museum
  - 800 Person Amphitheatre
- Adjacent to the State-of-the-Art 1.2m Sq. Ft. Music City Center
- Downtown Location
  - Live Music District
  - Sports Arena

OMNI HOTELS & RESORTS

omni nashville hotel

OMNI HOTELS & RESORTS

omni nashville hotel

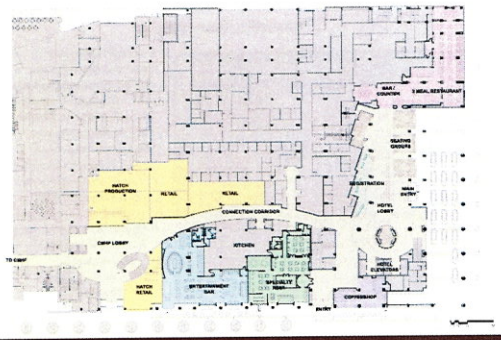


OMNI HOTELS & RESORTS

omni nashville hotel

OMNI HOTELS & RESORTS

OVERALL LEVEL 1 PLAN



OMNI HOTELS & RESORTS

LOBBY RENDERING

OMNI NASHVILLE HOTEL

OMNI HOTELS & RESORTS

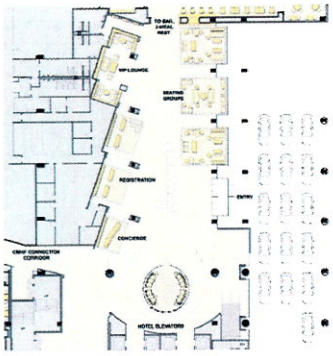
CMHF LOBBY RENDERING

OMNI NASHVILLE HOTEL

OMNI HOTELS & RESORTS

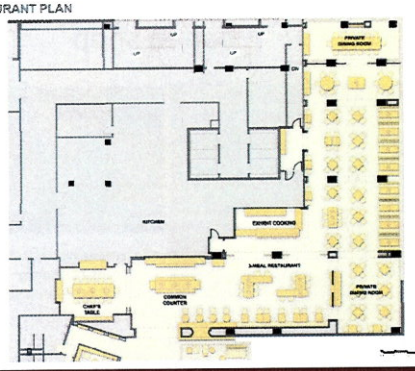
OMNI HOTELS & RESORTS

LOBBY PLAN



OMNI HOTELS & RESORTS

3 MEAL RESTAURANT PLAN



OMNI HOTELS & RESORTS

3 MEAL RENDERING

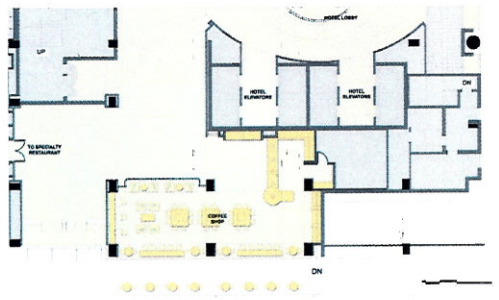
OMNI HOTELS & RESORTS

3 meal restaurant

- taste of the south
- biscuit bar
- cornbread sliders

OMNI HOTELS & RESORTS

COFFEE SHOP PLAN



OMNI HOTELS & RESORTS

COFFEE HOUSE RENDERING

OMNI HOTELS & RESORTS

coffee shop

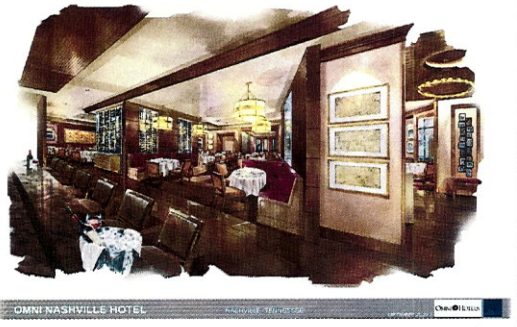
- live entertainment daily
- local coffee company
- only organic chocolatier in southeastern USA

OMNI HOTELS & RESORTS

SPECIALTY RESTAURANT

OMNI HOTELS & RESORTS

BOB'S STEAK & CHOP HOUSE RENDERING



OMNI HOTELS & RESORTS

Bob's Steak & Chop House

- "Hands down, Bob's is our top choice for great steak, ambience, and personality. Plenty of the rich and famous feel the same way, packing the coveted booths for three-inch ultra prime filets, thick cut onion rings, and stellar service."
  - **DMagazine**
- "Steakhouse Receives Prestigious Restaurant Industry Award
  "Bob's Steak & Chop House received the award for exemplifying the highest quality of standards in all aspects of the dining experience."
  - **Distinguished Restaurants of North America**
- "Real estate deals are cut over 28-ounce slabs of beef at Bob's Steak & Chop House; the best of the city's countless steakhouses."
  - **Travel & Leisure Magazine**

"It's the kind of fare you'll want to go back for, again and again..."
- **Bon Appetit**

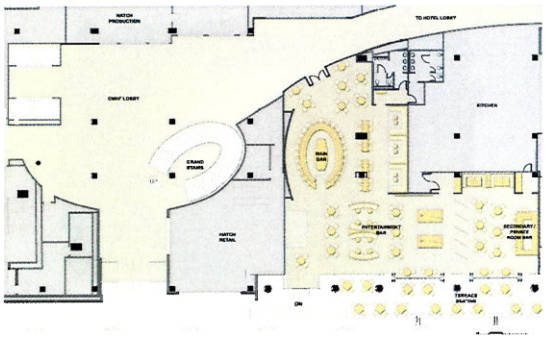
"Bob's is a genuine Diamond in this rough"
- **Money Magazine**

"Great beef and strong drinks in a no-bull, clubby setting. Everything at Bob's is big and full- flavored..."
- **Dallas Morning News**

Bob's
Steak & Chop House

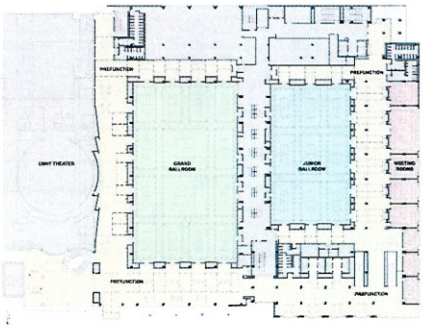
OMNI HOTELS & RESORTS

ENTERTAINMENT BAR



OMNI HOTELS & RESORTS

OVERALL LEVEL 3 PLAN

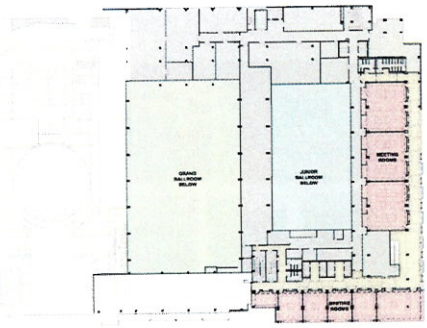


OMNI HOTELS & RESORTS

PREFUNCTION RENDERING

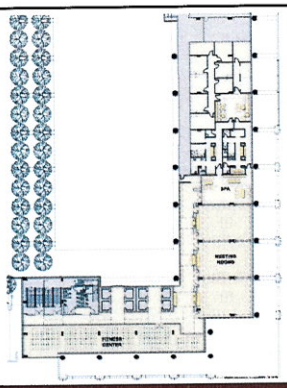
OMNI HOTELS & RESORTS

OVERALL LEVEL 5 PLAN



OMNI HOTELS & RESORTS

SPA / FITNESS



OMNI HOTELS & RESORTS

ROOF TOP POOL DECK

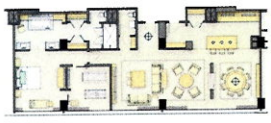
OMNI HOTELS & RESORTS

omni nashville
suites & guest rooms

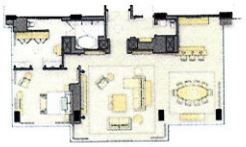
- 746 Luxurious Guest Rooms
  - 452 Double Queen
  - 294 Kings
- 54 Well Appointed Suites

OMNI HOTELS & RESORTS

SUITE PLANS



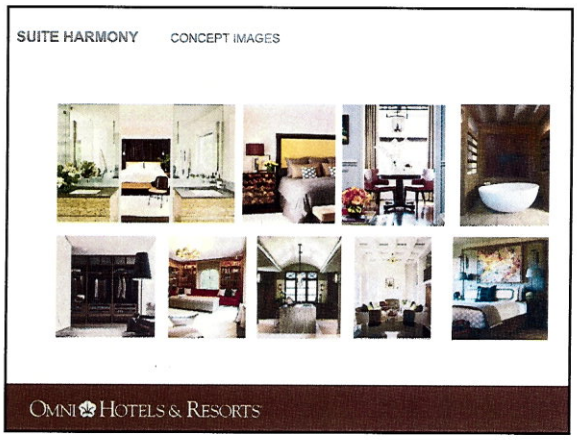
5 BAY SUITE

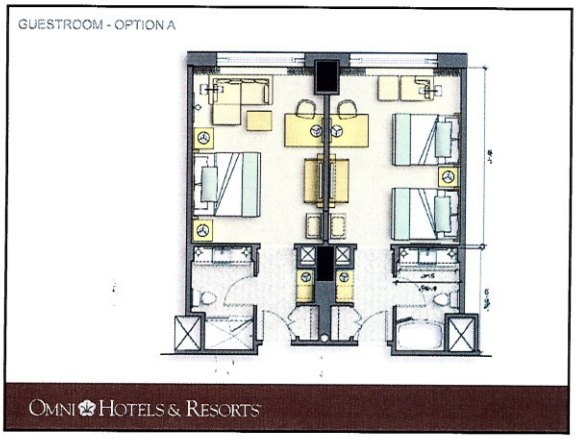


4 BAY SUITE

2 BAY PLUS SUITE

OMNI HOTELS & RESORTS


SUITE HARMONY
CONCEPT IMAGES
OMNI HOTELS & RESORTS


GUESTROOM - OPTION A
OMNI HOTELS & RESORTS

GUESTROOM - OPTION A
MOOD IMAGERY
OMNI HOTELS & RESORTS

omni nashville hotel

Convention Center Authority
AerialInnovations
November 3, 2011

SECOND AMENDMENT TO THE DEVELOPMENT AGREEMENT (COUNTRY MUSIC HALL OF FAME AND MUSEUM EXPANSION)

THIS SECOND AMENDMENT TO THE DEVELOPMENT (COUNTRY MUSIC HALL OF FAME AND MUSEUM EXPANSION) ("Second Amendment") is effective as of the [[3rd day of November, 2011]] by and between Omni Nashville, LLC, a Delaware limited liability company ("Omni"), and the Convention Center Authority of the Metropolitan Government of Nashville and Davidson County ("Authority") (Omni and the Authority are collectively referred to herein as the "Parties").

WITNESSETH

WHEREAS, the Parties entered into that certain Development Agreement (Country Music Hall of Fame and Museum Expansion) dated December 30, 2010 (the "Hall of Fame Development Agreement") whereby, among other provisions, the Authority engaged Omni to design and construct the Expansion Project in the capacity of developer on behalf of the Authority, and the Authority agreed to cause funds to be escrowed by the Metropolitan Development and Housing Agency ("MDHA") necessary to pay for the design and construction pursuant to the terms of the Hall of Fame Development Agreement; and

WHEREAS, the Parties previously entered into the certain First Amendment to the Hall of Fame Development Agreement effective as of April 29, 2011; and

WHEREAS, the Parties have agreed to further amend the Hall of Fame Development Agreement subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Second Amendment and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties mutually agree as follows:

1. The updated and revised Interim Plans, as accepted, reviewed and recommended by the Authority's Omni Review Committee on October 27, 2011 and approved by the Authority on [[November 3, 2011]], are attached hereto as Exhibit A. These Interim Plans include all value engineering proposals and project alternates for the Expansion Project that have been accepted by the Parties.

2. The definition of the Expansion Project Scope of Work set froth in Section 1.9, and to be constructed by Omni, is hereby expanded to include: [iii] a full Central Energy Plant with HVAC controls, which includes the installation of 600 ton and 300 ton water-cooler chillers, boilers, cooling towers, [iv] an additional 600 ton chiller, [v] added topping slabs and walls/door/duct liner at the Central Energy Plant rooms; [vi] a 1000 KW emergency generator (in lieu of 500 KW), [vii] J-boxes, conduit and sleeves at the theater, [viii] two additional passenger elevators including electrical and cab upgrades, and [ix] a shaft wall at the additional passenger elevators.

3. The updated and revised Preliminary Cost Estimate, as provided by Omni and as agreed to by the Parties, is attached hereto as Exhibit B.

4. The project management allocation reimbursement set forth in Section 1.10[b] shall be fixed at $800,000, instead of 2.5% of all Reimbursable Costs.

5. Section 1.11 of the Hall of Fame Development Agreement (Escrow of Preliminary Cost Estimate) is hereby further amended and restated in its entirety as follows:

1.11 Escrow of Preliminary Cost Estimate.

[a] On or about May 16, 2011 (the "Deposit Date"), the Authority, MDHA and Omni (i) entered into an escrow agreement (the "Escrow Agreement"), whereby the Authority caused to be deposited with Regions Bank (the "Escrow Agent") and/or paid to Omni $35,600,688 (the "Escrowed Funds"), from a tax increment financing provided by MDHA, to be held by the Escrow Agent and disbursed to Omni in accordance with the terms of the Escrow Agreement and (ii) the Authority caused an Irrevocable Standby Letter of Credit (the "Initial Letter of Credit") to be issued by the County Music Foundation, Inc. d/b/a the Country Music Hall of Fame® and Museum (the "Hall of Fame") to Omni in the amount of $3,560,000 to be drawn upon by Omni to pay the Reimbursable Costs should such costs exceed the Escrowed Funds and after the Escrowed Funds have been exhausted.

[b] In order to secure the expanded scope of the Expansion Project Scope of Work, the Authority will cause an additional Irrevocable Standby Letter of Credit (the "Additional Letter of Credit"), in the form of the Initial Letter of Credit, to be issued by the Hall of Fame to Omni on or before [[November 1, 2011]] in the amount of $750,000 to be drawn upon by Omni to pay the Reimbursable Costs should such costs exceed the Escrowed Funds and the Initial Letter of Credit and after the Escrowed Funds and the Initial Letter of Credit have been exhausted.

[c] If, during the term of this Agreement, [i] the contractor contingency has been or is expected to be expended; [ii] the owner contingency has been or is expected to be expended; and [iii] Omni and the Authority determine that, after July 1, 2012, the actual amount payable to Omni in connection with Section 1.10[a] will exceed the remaining Escrowed Funds, the Initial Letter of Credit and the Additional Letter of Credit, then Omni and the Authority will agree upon a further deposit or letter of credit to be made or cause to be made into the Escrowed Funds up to $750,000 to ensure that sufficient Escrowed Funds exist to pay the full amount required to be paid to Section 1.10[a].

[d] Pursuant to the terms of the Escrow Agreement, Omni shall periodically (but no more often than monthly) submit to Escrow Agent (with a copy to the Authority and MDHA) a draw statement which describes in reasonable detail the Reimbursable Costs which have been incurred by or on behalf of Omni up to the date of the statement (and which have not previously been reimbursed), together with documentation supporting that such Reimbursable Costs have been incurred (collectively, a "Draw Statement"). Except as set forth in the Escrow Agreement, Escrow Agent shall have no obligation to verify the accuracy of the Draw Statement or the supporting documentation and shall make a disbursement

("Disbursement") to Omni from the Escrowed Funds of the amount specified in the Draw Statement in accordance with the procedures set forth in the Escrow Agreement. The Authority may not object to any Draw Request submitted by Omni, but once per calendar quarter, the Authority shall have the right to audit all Disbursements made to Omni in accordance with the audit procedures set forth in the Escrow Agreement and to resolve any discrepancy there under.

6. The Authority shall cause the Hall of Fame to cause the construction and completion (including the furnishing and completion), at its expense and as a part of the Expansion Project Interior, of [i] the Hatch retail space; [ii] the retail entrance at the Fifth Avenue side of the Existing Hall of Fame Facility, including the retail and steel framing at exterior skin; and [iii] the street level hardscape and landscaping along Fifth Avenue in front of the Existing Hall of Fame Facility (to match the adjacent steps, sidewalks, and landscaping).The Hall of Fame shall complete such work on or before the opening of the Hotel, provided that Omni, pursuant to Section 1.8, has, within a timeframe that reasonably allows the Hall of Fame's work to occur, completed and conveyed the Expansion Project or otherwise provided its written consent to allow the work set forth herein to proceed.

7. Omni represents, warrants and covenants that it has entered or will enter into a guaranteed maximum price contract with Brasfield & Gorrie General Contractors reflecting the Preliminary Cost Estimate set forth on Exhibit B.

8. Except to the extent to which the same may be defined herein, all capitalized terms used herein shall have the same meaning ascribed to them in the Hall of Fame Development Agreement.

9. In the event any of the terms or provisions of this Second Amendment conflict in any way with any of the terms or provisions of the Hall of Fame Development Agreement, the applicable terms and provisions of this Second Amendment shall control. Except as amended hereby, all terms, provisions and conditions of the Hall of Fame Development Agreement shall remain in full force and effect, and the Parties hereby ratify and reconfirm the Hall of Fame Development Agreement as amended hereby. The Hall of Fame Development Agreement, as amended hereby, constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and no further modification or alteration of the Hall of Fame Development Agreement in any respect shall be binding unless evidenced by an agreement in writing signed by the Parties.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto execute this Second Amendment as of the day and year first above written.

AUTHORITY:	**OMNI:**
CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY	**OMNI NASHVILLE, LLC**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

Exhibit A
[Preliminary Plans – Updated]

Exhibit B

PRELIMINARY COST ESTIMATE - UPDATED

Land			
	Additional Land at KVB for Integrated Scheme	$ 800,000	
	Subtotal	**$ 818,458.98**	
Consultants			
	Architect / Structural / MEP	$ 3,226,257	quote
	CMHF MEP Consultant Fee	Included Above	
	Interior Design / Lighting / AV etc.	Included Above	for shell scope only
	Misc Other Consultants (roof, cost seg, audit, etc)	$ 217,580	allowance
	Subtotal	**$ 3,443,837**	
G&A			
	Insurance	$ 72,000	
	Legal	$ 200,000	allowance
	Onsite Management	Included in Fee	
	Travel	Included in Fee	
	Misc Overhead w Onsite Management	Included in Fee	
	Onsite Office Rent	Included in Fee	
	Impact Fees	$ 70,449.07	
	Misc Permits	Paid By CMHF	excluded
	Subtotal	**$ 342,449.07**	
Construction			
	Construction (includes contractor contingency)	$ 29,284,712	per GMP
	Window Washing Equipment	Included in GC	
	Water Vault	Paid By CMHF	excluded
	Transformers	Paid By CMHF	excluded
	Utility Charges	Included in GC	
	Builders Risk	Included in GC	
	Subtotal	**$ 29,284,712**	
FFE / OSE			
	FFE	Paid By CMHF	excluded
	OSE (includes signage and IT)	Paid By CMHF	excluded
	Purchasing Fee, Freight, Sales Tax, Installation, Warehousing	Paid By CMHF	excluded
	Subtotal	**$ -**	
Other			
	Property Taxes	$ 338,503	
	Subtotal	**$ 338,503**	
Contingency			
	Contingency (3%)	$ 992,130	3%
	Subtotal	**$ 992,130**	
Project Management			
	Project Management	$ 800,000	fixed
	Subtotal	**$ 800,000**	
Expansion Project Sub-Total		**$ 36,020,090**	

Additional Scope		
Central Energy Plant and HVAC controls	$1,402,017	
Additional 600 Ton Chiller	$ 324,748	
Added Topping Slabs	$ 33,486	
Walls/Doors/Duct Liner at CEP Rooms	$ 80,050	
Contractor Contingency	$ 80,497	
Subtotal	**$1,920,798**	
Hall of Fame Scope		
1000 KW Generator	$ 253,393	
Shaft Wall at Added Passenger Elevators	$ 48,015	
J-boxes, Conduit and Sleeves at Theater	$ 103,338	
Additional Passenger Elevators (2)	$ 438,157	
Subtotal	**$ 842,903**	
Contingency		
Contingency (3%)	$ 82,911	3%
Subtotal	**$ 82,911**	
Additional Scope Sub-Total	**$2,846,611**	
Total	**$38,866,702**	

SECOND AMENDMENT TO DEVELOPMENT, LEASE AND OPERATING AGREEMENT

THIS SECOND AMENDMENT TO THE DEVELOPMENT, LEASE AND OPERATING AGREEMENT (this "Second Amendment") is effective as of the 3rd day of November, 2011 (the "Effective Date") by and between the Convention Center Authority of the Metropolitan Government of Nashville and Davidson County, as landlord (the "Authority"), and the County Music Foundation, Inc. d/b/a the Country Music Hall of Fame® and Museum, as tenant (the "Hall of Fame"). (The Authority and the Hall of Fame are collectively referred to herein as the "Parties.")

WITNESSETH

WHEREAS, the Parties entered into that certain Development, Lease and Operating Agreement dated December 30, 2010 (the "Lease");

WHEREAS, the Authority has agreed [i] to cause the design and construction of the Demised Premises and [ii] to lease the Demised Premises to the Hall of Fame, all subject to and upon the terms and conditions set forth in the Lease (including, without limitation, the contingencies set forth in Section 15);

WHEREAS, the Hall of Fame has agreed to lease the Demised Premises from the Authority, all subject to and upon the terms and conditions set forth in the Lease (including, without limitation, the contingencies set forth in Section 15);

WHEREAS, the Parties previously entered into that certain First Amendment to the Lease effective as of April 29, 2011; and

WHEREAS, the Parties have agreed to amend the Lease subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants contained in this Second Amendment and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties mutually agree as follows:

1. The updated and revised Interim Plans and specifications are attached hereto as Exhibit A. These Interim Plans include all value engineering proposals and project alternates for the Demised Premises that have been accepted by the Parties.

2. The definition of the Demised Premises set forth in the Agreement, and to be constructed by Omni and leased to the Hall of Fame as a part of the Authority's Work, is hereby expanded to include a full Central Energy Plant with HVAC controls, which includes the installation of 600 ton and 300 ton water-cooler chillers, boilers, cooling towers; an additional 600 ton chiller; and added topping slabs and walls/door/duct liner at the Central Energy Plant rooms (collectively the "Additional Scope"). Should the cost for such Additional Scope ultimately result in an Actual Project Cost for the Authority's Work in excess of the Anticipated Project Cost, the allocation for such Additional Scope will be apportioned pursuant to Section

4.1 of the Lease, as amended. The updated and revised Anticipated Project Cost estimate is attached hereto as Exhibit E(1).

3. Pursuant to Section 4.2, the Hall of Fame has requested and the Authority has agreed to a change order to include a 1000 KW emergency generator (in lieu of 500 KW); J-boxes, conduit and sleeves at the theater; two additional passenger elevators including electrical and cab upgrades; and a shaft wall at the additional passenger elevators (collectively the "Change Order"). Pursuant to the Second Amendment to the Development Agreement, the Authority is required to cause an Irrevocable Standby Letter of Credit substantially in the form of the previous letter of credit provided by the Hall of Fame to be issued by the Hall of Fame to Omni in the amount of $750,000 to pay for the cost of the Change Order. The Hall of Fame hereby agrees to have this Letter of Credit issued on or before [November __, 2011]. For the avoidance of doubt, the actual cost of the Change Order shall be the sole responsibility of the Hall of Fame and shall not be subject to being apportioned pursuant to Section 4.1 of the Lease, as amended. The Anticipated Project Cost – Change Order for such change order is attached hereto as Exhibit E(2).

4. The Hall of Fame hereby agrees to cause the construction and completion (including the furnishing and completion), at its expense and as a part of the Hall of Fame Build Out, of [i] the Hatch retail space; [ii] the retail entrance at the Fifth Avenue side of the Existing Hall of Fame Facility, including the retail and steel framing at exterior skin; and [iii] the street level hardscape and landscaping along Fifth Avenue in front of the Existing Hall of Fame Facility (to match the adjacent steps, sidewalks, and landscaping). The Hall of Fame shall complete such work on or before the opening of the Hotel, provided that Omni, pursuant to Section 1.8 of the Development Agreement, has, within a timeframe that reasonably allows the Hall of Fame's work to occur, completed and conveyed the Demised Premises or otherwise provided its written consent to allow the work set forth herein to proceed.

5. Except to the extent to which the same may be defined herein, all capitalized terms used herein shall have the same meaning ascribed to them in the Lease.

6. In the event any of the terms or provisions of this Second Amendment conflict in any way with any of the terms or provisions of the Lease, the applicable terms and provisions of this Second Amendment shall control. Except as amended hereby, all terms, provisions and conditions of the Lease shall remain in full force and effect, and the Parties hereby ratify and reconfirm the Lease as amended hereby. The Lease, as amended hereby, constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and no further modification or alteration of the Lease in any respect shall be binding unless evidenced by an agreement in writing signed by the Parties.

[signature page follows]

IN WITNESS WHEREOF, the parties have executed this Lease in multiple counterparts, each of original document, as of the day and year first above written.

AUTHORITY:

CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

By: _____

Name: _____

Title: _____

HALL OF FAME:

COUNTY MUSIC FOUNDATION, INC.

By: _____

Name: _____

Title: _____

EXHIBIT A

[Updated Interim Plans – Attached]

EXHIBIT E(1)
ANTICIPATE PROJECT COST - UPDATED

Land			
	Additional Land at KVB for Integrated Scheme	$ 800,000	
	Subtotal	**$ 818,458.98**	
Consultants			
	Architect / Structural / MEP	$ 3,226,257	quote
	CMHF MEP Consultant Fee	Included Above	
	Interior Design / Lighting / AV etc.	Included Above	for shell scope only
	Misc Other Consultants (roof, cost seg, audit, etc)	$ 217,580	allowance
	Subtotal	**$ 3,443,837**	
G&A			
	Insurance	$ 72,000	
	Legal	$ 200,000	allowance
	Onsite Management	Included in Fee	
	Travel	Included in Fee	
	Misc Overhead w Onsite Management	Included in Fee	
	Onsite Office Rent	Included in Fee	
	Impact Fees	$ 70,449.07	
	Misc Permits	Paid By CMHF	excluded
	Subtotal	**$ 342,449.07**	
Construction			
	Construction (includes contractor contingency)	$ 29,284,712	per GMP
	Window Washing Equipment	Included in GC	
	Water Vault	Paid By CMHF	excluded
	Transformers	Paid By CMHF	excluded
	Utility Charges	Included in GC	
	Builders Risk	Included in GC	
	Subtotal	**$ 29,284,712**	
FFE / OSE			
	FFE	Paid By CMHF	excluded
	OSE (includes signage and IT)	Paid By CMHF	excluded
	Purchasing Fee, Freight, Sales Tax, Installation, Warehousing	Paid By CMHF	excluded
	Subtotal	**$ -**	
Other			
	Property Taxes	$ 338,503	
	Subtotal	**$ 338,503**	
Contingency			
	Contingency (3%)	$ 992,130	3%
	Subtotal	**$ 992,130**	
Project Management			
	Project Management	$ 800,000	fixed
	Subtotal	**$ 800,000**	
Expansion Project Sub-Total		**$ 36,020,090**	

Add Alternates	
Central Energy Plant and HVAC controls	$1,402,017
Additional 600 Ton Chiller	$ 324,748
Added Topping Slabs	$ 33,486
Walls/Doors/Duct Liner at CEP Rooms	$ 80,050
Contractor Contingency	$ 80,497
Subtotal	**$1,920,798**
Contingency	
Contingency	$ 82,911
Subtotal	**$ 82,911**
Add Alternates Sub-Total	**$2,003,790**
Total	**$38,023,799**

Exhibit E(2)

ANTICIPATED PROJECT COST – CHANGE ORDER

Hall of Fame Add Alternates	
1000 KW Generator	$ 253,393
Shaft Wall at Added Passenger Elevators	$ 48,015
J-boxes, Conduit and Sleeves at Theater	$ 103,338
Additional Passenger Elevators (2)	$ 438,157
Subtotal	**$ 842,903**