



Louisville
Arena Authority, Inc.
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REVISED Board of Directors Meeting
February 20, 2006
10:00 a.m. EST – Kentucky International Convention Center
Louisville, Kentucky

Directors in Attendance: Mr. W. James Host (Chair); Mr. Larry Hayes (Vice Chair); Mr. Larry Bisig; Mr. Neville Blakemore; Mr. Todd Blue; Mr. Junior Bridgeman; Mr. Zev Buffman (*via teleconference*); Ms. Reba Doutrick; Ms. Alice Houston; Ms. Cissy Musselman; Mr. Jim Patterson; Mr. William Summers V; Mr. Dan Ulmer; Mr. Robert Woolery (*via teleconference*).

Directors Absent: Lindy Street

Guests and Others: Michael O’Sullivan and David Stone – The Leib Group, Mark F. Sommer, General Counsel

Issues Discussed:

Opening Remarks and Welcome – Chairman Host

Chairman Host convened the meeting, declared a quorum, welcomed and thanked the Board for their attendance.

DISCUSSION ITEM: Acceptance of the Minutes of January 30, 2006 Board Meeting – Chairman Host

The Minutes were discussed and reviewed; upon Motion to accept them by Mr. Patterson, seconded by Mr. Ulmer, the Motion passed unanimously with no abstentions.

DISCUSSION ITEM: Media attention; public discourse; rumors, misinformation and the like – Chairman Host

Chairman Host presented for several minutes on recent developments concerning the Arena Authority, including:

- There's been a lot of discussion over the last several weeks about an alternative site.
- There was an e-mail that was dated January 27th which was circulated to all the legislature which, among other things, said reportedly there is a major gas line under the LG&E site that will not be relocated.
- All of these arena site considerations that have gone out on January the 7th and February the 14th are addressed in his document for each of your consideration.
- GBBN Architects – They have clarified several points from it and its partners, 360 Architecture and Robert Pass & Associates.
- A political career was also being attributed to Mr. Host: Reports suggested it would be a feather in Host's cap if he decides to challenge Ernie Fletcher in the 2007 Republican Gubernatorial Primary. Well let me make a point abundantly clear, number one, I will not run. Number two, if nominated, I will not run. Number three, if elected, I will not serve.
- We all have an obligation to see this project through, to get it done so that we can stimulate the economic growth of Louisville, which in turn will stimulate the economic growth, and we've got all the stars aligned with the City and the City Administration, the State Administration and with the vast majority of the business communities.

DISCUSSION ITEM: Marketing and Communications Committee Report – Larry Bisig

Mr. Bisig reported that the Committee met on February 7, 2002, and that they are in the process of detailing a broad outline on marketing and communications for the Arena Project, including the “CCO – Commonwealth Communications Outreach.” Mr. Bisig also offered thanks to the Jefferson County Delegation, Mr. David Jones and to Mr. John Schnatter for the service they have done in pursuing information and discussion.

Mr. Bisig then requested that The Bonham Group be invited to come before a meeting of the Board to discuss their report. Mr. Hayes seconded the Motion, with discussion by Mr. Blakemore, Mr. Host and Mr. Bisig having ensued, after which the Motion passed unanimously with no abstentions.

DISCUSSION ITEM: Web Site Update – Chairman Host

The current Web Site (www.arenaauthority.com) was discussed by Chairman Host; the need for technical assistance was discussed and a Motion to engage a web site vendor in an RFP process for a cost of up to a limit of \$15,000 was made by Ms. Musselman, seconded by Ms. Doutrick. The Motion passed unanimously with no abstentions.

DISCUSSION ITEM: Expense Policy – Chairman Host

Chairman Host once again explained the financial goals of the non-profit corporation, and discussed implementation of a limited expense reimbursement policy; a proposed policy was discussed and considered (Tab C of Agenda), and after modification to require receipts for \$10.00 or more, the adoption of which was moved by Mr. Hayes, seconded by Ms. Houston, the Motion passed unanimously with no abstentions.

DISCUSSION ITEM: Financial Analysis Overview – Chairman Host

Chairman Host introduced a discussion of financial points, gave a presentation and addressed multiple economic impact points.

DISCUSSION ITEM: Bond Counsel Selection Update – Vice-Chairman Hayes

Vice-Chairman Hayes discussed the ongoing efforts of the Committee; that several firms responded to the RFP; that several meetings had been held and that overall the response was positive; and that a selection was very near.

DISCUSSION ITEM: Banking Partner/Line of Credit Update – Chairman Host

Chairman Host reviewed the need for a qualified banking partner/relationship, including the need for an immediate line of credit (anticipating up to \$1.0 million), reported that an RFP had been issued, many favorable responses received, that several meetings had been held, and that the best overall bid, at a rate of one-quarter over LIBOR (30 days) for a one million dollar line of credit, was National City Corp. After Motion by Mr. Ulmer to approve proceeding with this line of credit, seconded by Ms. Houston, discussion ensued – Motion approved by a unanimous vote with no abstentions.

DISCUSSION ITEM: Bylaws of Entity and Corporation Formation Matters – Chairman Host

Chairman Host and Mr. Sommer reported that Bylaws of the Authority were in process (Tab D of Agenda) and should be considered by the Board prior to its next meeting, where they will be acted upon.

DISCUSSION ITEM: Process of RFIs and RFPs – Chairman Host

Chairman Host reiterated that in order to maintain openness and transparency on all major engagements/agreements, a Request for Proposal (RFP) or Request for Information (RFI) concept would be used, with all responses returned to counsel, prior to delivery to any Committee which may consider same.

DISCUSSION ITEM: Implementation of Executive Committee and Officers – Chairman Host

Chairman Host discussed the organizational/operational structure of the Arena Authority, and in particular its utilization of an “Executive Committee.” Under the organizational documents Chairman Host and Vice-Chairman Hayes serve as the Executive Committee until fully constituted; Mr. Host indicated that he would like Ms. Houston to serve as Secretary, and Mr. Ulmer to serve as Treasurer, with each serving on the Executive Committee. A Motion to endorse same would occur at a future meeting.

DISCUSSION ITEM: Formation of Development and Construction Committee – Chairman Host

Chairman Host led a discussion of the importance of construction matters, including the design and build concept on behalf of the Arena Authority, and requested that Mr. Ulmer, Mr. Patterson, Mr. Buffman and Mr. Bridgeman serve on a committee to coordinate all such matters, with Mr. Ulmer Chairing; its first task will be the Design/Construction RFI – Request for Information.

DISCUSSION ITEM: Insurance Committee – Chairman Host

Chairman Host discussed the prudence of securing D&O (Director’s and Officer’s) liability insurance, noted that an RFP has issued, and that a committee should consider same and make recommendations regarding this matter. He asked Mr. Wollery to Chair same, along with Ms. Musselman and Ms. Street.

DISCUSSION ITEM: TIF Matters Update – Vice-Chairman Hayes

Vice-Chairman Hayes gave an update on TIF Matters (Tab F – Map), and reported on recent meetings in Frankfort with various state agencies/officials, the Vetting process underway; the common use of TIFs across the country (including at a new Arena in Kansas City). Discussion by Mr. Blakemore, Mr. Host, Ms. Houston then ensued.

DISCUSSION ITEM: Parking Matters – Chairman Host

Chairman Host gave an introduction to the importance of parking for the Arena (Tab G – Map of PARC Area Garages), and created a committee comprised of Mr. Blakemore (Chair), Ms. Doutrick and Mr. Blue to assist on any and all parking related matters for the Authority.

DISCUSSION ITEM: Auditing Firm RFP – Chairman Host

Chairman Host introduced the need for an independent auditing (accounting) firm to be employed by the Authority, and discussed the use of an RFP (in process).

DISCUSSION ITEM: Conflict Policy (Tabs H and I) – Chairman Host

Chairman Host reiterated the Conflicts Issue discussed at the January meeting,, its important, and the need for same in order to pursue the Charitable/Tax Exempt Status of the Authority. He also worked through the process of clearing a conflict through the Chair. Board Action, after consideration thereof, to accept the Policy as proposed, was moved by Mr. Patterson, seconded by Mr. Summers, and passed unanimously with no abstentions.

DISCUSSION ITEM: “TEAM” Services Engagement – Chairman Host

Chairman Host explained the importance of naming rights to the Arena process; indicated that discussions on naming rights continue; and that he believed consulting services would be of value to the Arena Authority. He requested approval up to \$35,000 to engage TEAM Services for such expertise. Upon motion by Ms. Doutrick, seconded by Mr. Ulmer, the Motion passed unanimously with no abstentions.

DISCUSSION ITEM: Discussion of University of Louisville and Fair Board Negotiations, and Tax Exempt Application Status – Chairman Host

Chairman Host updated the Board on the status of these in-process matters.

DISCUSSION ITEM: Minority Affairs Committee – Chairman Host

Chairman Host stated his belief that minority representation was important to the Arena Project; and thus requested that Mr. Blakemore, Mr. Summers and Ms. Houston comprise a committee and assume responsibility for ensuring maximum minority participation.

Having no further business, the Meeting adjourned at approximately Noon.

Attachments:

- A) February 2006 Board Meeting Notice**
- B) February 2006 Board Meeting Agenda**