



Louisville
Arena Authority, Inc.
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Board of Directors Special Meeting
July 31, 2006
9:00 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. Zev Buffman; Ms. Reba Doutrick; Ms. Alice Houston; Mr. Kevin Kramer; Ms. Cissy Musselman; Mr. Jim Patterson; Ms. Lindy Street; Mr. William Summers V; Mr. Dan Ulmer; Mr. Robert Woolery

Directors Absent: Mr. Neville Blakemore; Mr. Todd Blue; Mr. Junior Bridgeman

Guests and Others: Mr. Robert J. Crittenden, Mr. John B. Hilkene and Ms. Paula Yancey, –PC Sports LLC; Mr. Mark F. Sommer, General Counsel; Mr. Harold Workman – Kentucky State Fair Board

Opening Remarks and Welcome – Chairman Host

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

DISCUSSION ITEM: Welcome to Kevin Kramer – Chairman Host

Chairman Host welcomed Metro Council President, Kevin Kramer to the Authority, explaining that a part of the MOA/Resolution with Metro Government was adding an ex-officio representative from Metro Council. Chairman Host welcomed President Kramer and expressed his appreciation for his efforts, those of the Mayor, and those of Metro Council in enacting the MOA/Resolution.

DISCUSSION ITEM: Acceptance of the Minutes of June 19, 2006 Board Meeting – Chairman Host

Minutes of the June 19, 2006 meeting were discussed and reviewed; upon Motion to accept them, which was duly seconded, the Motion passed unanimously with no abstentions.

DISCUSSION ITEM: Owner's Representative Update – Mr. Ulmer

Mr. Ulmer reported on the past work of the Building Committee, providing some background and context on the RFI/RFP and interview stages, and the hard work of all involved. He then introduced PC Sports LLC and Messrs. Bob Crittenden, John Hilkene, and Ms. Paula Yancy and welcomed them to the project as the group to be recommended by the Building Committee to the full Board.

Mr. Crittenden thanked Mr. Ulmer for his kindness, and walked the Board through some history of PC Sports, projects which they had worked on, and noted that much (almost 80%) of their business is "repeat" business. He provided significant details on eight (8) Arena projects from across the country through a Power Point presentation (*see* Tab B of Board Book).

He noted that over the past years, for example, John had been involved in \$1.5 billion worth of Arena projects. PC Sports' staff of 30 core professionals includes 18 project managers alone, and during its 30 years in business, they have successfully completed \$4.0 billion worth of projects.

Paula Yancy indicated that she was most pleased to be a part of the project, that she is currently working on the Sprint Center in Kansas City, and had undertaken a similar role with the AT&T Center and the FedEx Forum; she also reiterated their commitment to MWBE goals and policies.

Other areas/topics were discussed, including the role of the Program Manager; maintaining an independent role; facilitation of communication; coordination of all meetings and maintaining appropriate documentation thereof; tracking all costs; and managing in an eco-friendly manner.

A cost summary presentation ensued, with other Arena projects compared to forecasted costs of the Louisville Arena, as well as a general overview of next

steps and timeline(s) presented. The principals also explained time on the job, out-of-town travel, and other miscellaneous budget items.

The final terms of the pending discussions were also discussed – a fixed fee of \$3.65 million, plus expenses, of which \$200,000 is “at risk” and discretionary on the part of the Authority.

Questions and comments next ensued from various Directors including Ms. Houston; Mr. Patterson; Ms. Musselman; Mr. Buffman; Mr. Host; Mr. Summers; Mr. Hayes; Ms. Street and Mr. Ulmer, after which (while PC Sports was excused and outside of the Board Room), a Motion was made by Mr. Ulmer, seconded by Mr. Buffman, to formally engage PC Sports under terms consistent with those disclosed today, and for the Chair to finalize and execute same, which Motion passed unanimously with no abstentions.

After the vote, PC Sports was invited back into the Board Room where they were given a healthy round of applause by the Board and those attending.

DISCUSSION ITEM: MOA with Metro (Tab C) – Chairman Host

Chairman Host explained and presented the finalized Metro MOA/Exhibit B/Resolution, and provided background and context of recent weeks’ developments and events.

Upon Motion, by Vice-Chairman Hayes, to ratify and approve the Memorandum of Agreement with Metro Louisville and to authorize the Chair to take all necessary steps to implement the Memorandum of Agreement, which was seconded by Ms. Musselman, a unanimous vote ensued with no abstentions.

DISCUSSION ITEM: Ex-officio Position/By-laws Amendment (Tab D) – Mr. Sommer

Mr. Sommer explained that Board Action was needed to revise the previously adopted By-Laws to comply with the terms of the Metro MOA/Resolution; the specific revisions were provided at Tab D of the Board Book, creating an ex-officio, non-voting position for Metro Council. After a Motion to adopt by Mr. Ulmer, which was seconded by Mr. Buffman, the Motion passed unanimously with no abstentions.

DISCUSSION ITEM: Update on other MOAs and MOUs -- Mr. Sommer

Mr. Sommer provided a status update on the MOAs and MOUs with various parties, including the University of Louisville/University of Louisville Athletic Association, KSFB, Humana and LG&E as it relates to the Arena financing and site acquisition matters. It was reported that some draft documents have been exchanged, with negotiations, consensus building, and editing taking place on almost all fronts, with several agreements being in very strong draft format, and some in all but final format.

DISCUSSION ITEM: G&L Insurance – Mr. Sommer

Mr. Sommer reported an FYI to the Board that General Liability insurance was in place, with the policy at Tab E of the Board Book.

DISCUSSION ITEM: Form 1023 – Mr. Sommer

Mr. Sommer reported on an FYI basis to the Board that the Form 1023 Tax Exemption Application was all but final, and now that the Accounting Firm (which needs to prepare financial statements for the Arena Authority) had been selected and engaged, the Application could move forward. After Motion by Mr. Hayes, seconded by Ms. Houston, Chairman Host was authorized to finalize and submit to the IRS the Form 1023 Application seeking tax exempt status and to take all necessary action related thereto.

DISCUSSION ITEM: GBBN – Vendor Matter – Chairman Host

Chairman Host indicated that a Board Resolution was needed to assume the remaining payments due and owing to GBBN, a firm hired by and through the Louisville Arena Task Force, which had provided services to and for the benefit of the Arena Authority. GBBN had been selected by the Arena Task Force pursuant to RFP procedures and in order to make payment to GBBN the contract needed to be assumed by the Louisville Arena Authority. After Motion by Mr. Woolery, seconded by Mr. Summer, a unanimous vote followed from which there was no abstentions.

DISCUSSION ITEM: Arena Logo – Chairman Host

Chairman Host noted that Mr. Bisig had been working on various logos for the Authority; initial thoughts and drafts were presented to the Authority at Tab G. He explained the concept of the upcoming competition and that final selections would be forthcoming.

DISCUSSION ITEM: News Articles – Mr. Bisig

As an FYI, Mr. Bisig noted that each Board Member had been given a grouping of recent news articles on the Arena project.

Having no further business, the Meeting adjourned.

Attachments:

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