

# MINUTES OF THE 4<sup>th</sup> MEETING OF THE CONVENTION CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE & DAVIDSON COUNTY

The 4<sup>th</sup> meeting of the Convention Center Authority of the Metropolitan Government of Nashville and Davidson County (CCA) was held on November 19, 2009 at 8:00 a.m., in the rooftop connector at the Nashville Convention Center (NCC), Nashville, Tennessee.

**AUTHORITY MEMBERS PRESENT:** \*Mark Arnold, Marty Dickens, Darrell Drumwright, Ken Levitan, Vonda McDaniel, Willie McDonald, Luke Simons, Mona Lisa Warren, \*Leo Waters, and Vice-Mayor Diane Neighbors, Ex-Officio

**AUTHORITY MEMBERS NOT PRESENT:**

**OTHERS PRESENT:** Rich Riebeling, Larry Atema, Charles Starks, Barbara Solari, Mark Sturtevant, Tom Hazinski, Charles Robert Bone, Peter Heindenreich, Bill Phillips, Heidi Weigel, Stacey Garrett, Terry Clements, Ric Miller, and Michael Cass. In addition, other members of the general public were present.

The meeting was opened for business by Chairman Marty Dickens who stated that a quorum was present. The Appeal of Decisions was shown.

**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.

It was announced that the next meeting of the CCA would be on Thursday, December 3, 2009 at 8:00a.m. at the Nashville Convention Center.

**ACTION:** Willie McDonald made a motion to approve the 3<sup>rd</sup> Meeting Minutes of November 12, 2009. The motion was seconded by Ken Levitan and approved unanimously by the Authority.

\*Denotes arrival of Mark Arnold and Leo Waters

Charles Robert Bone of Bone McAllester Norton was then introduced and passed out a draft of bylaws for the Authority (Attachment #1 and #2). He suggested the authority review the draft and consider them for approval at the next meeting. He also discussed Public Officers Liability Insurance and recommended the board authorize Marty Dickens to sign an application for the insurance to allow Willis to search for insurance options for the CCA with the anticipation that after bylaws are approved at the next meeting the insurance would be put into place.

**ACTION:** Leo Waters made a motion to authorize Marty Dickens to sign an application for the insurance to allow Willis to search for insurance for the CCA. The motion was seconded by Mark Arnold and approved unanimously by the Authority.

Tom Hazinski with HVS was then introduced. He gave preliminary results on the feasibility analysis HVS has conducted regarding the new convention center. (Attachment #1)

There was discussion about upcoming meetings and the presentation of the financing plan for the convention center. An additional CCA meeting was planned for January 7, 2010 with a goal to vote on the final financing plan so the legislation could then be filed with Council. The Authority decided to cancel the previously scheduled meeting for December 3, 2009 and attend the presentation of the financing plan at Council that evening instead. It was decided that the bylaws and insurance would be voted on at the December 17, 2009 CCA meeting and the financing plan would be discussed.

With no additional business a motion was made to adjourn, with no objection the CCA adjourned at 10:00 a.m.

Respectfully submitted,



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Charles L. Starks  
Executive Director  
Nashville Convention Center

Approved:




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Marty Dickens, Chairman  
CCA 4<sup>th</sup> Meeting Minutes  
Of November 19, 2009




# Convention Center Authority

Thursday, November 19, 2009




## 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.*




## Bylaws

- Authority Purposes
- Governance (Committees, etc.)
- Qualification, Election and Term for Directors
- Conflicts of Interest Provisions and Standards of Conduct
- Annual, Regular and Special Meetings
- Officers
- Contracts, Employments, Bonding Capacity, Audit and Reporting Requirements



## Music City Center Feasibility Analysis Preliminary Results


November 18, 2009



## HVS

Organization of Presentation

- Introduction and summary of key findings
- Music City Center event demand and financial analysis
- Analysis of six tax revenue sources dedicated to the project
- Questions/discussion




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## HVS

Key Findings

- Event planners
  - high level of knowledge about Nashville
  - positive image of Nashville as a convention destination
  - likely to use destination
- MCC will improve level of visitation
- Normal levels of convention center operating income (loss)
- Diverse sources of capital funding
- Headquarters hotel beneficial to project



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# Convention Center Analysis

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- HVS Analysis of Convention Center Operations
- Met with NCC management & CVB and other stakeholders
  - Inspected proposed development site and surrounding market area
    - Reviewed TVS Design's concept plan drawings
    - Analyzed NCC historical event demand and operations
    - Analyzed a set of 10 comparable convention centers
    - Conducted a survey of event planners
    - Analyzed information on advanced bookings of conventions and tradeshow at the MCC
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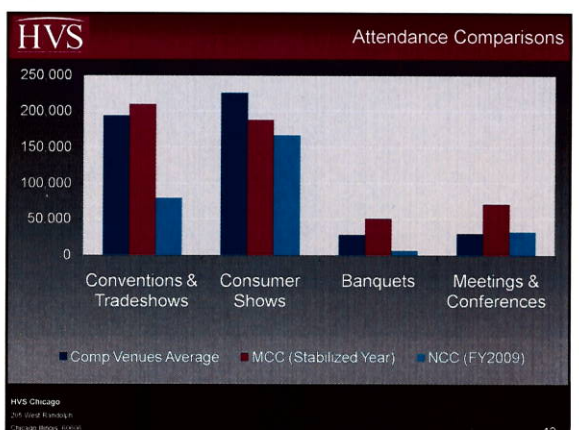
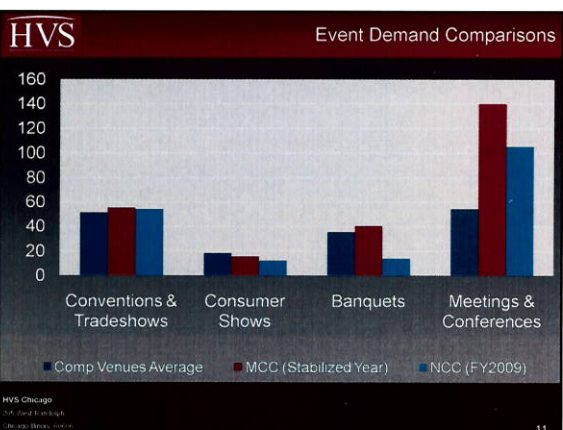
HVS MCC Stabilized Demand Forecast (FY 2015-16)

Event Type	# Events	Average Attendance	Total Attendance
Conventions & TS	55	3,800	209,000
Consumer Shows	15	12,500	187,500
Meetings & Conferences	140	500	70,000
Banquets	40	1,250	50,000
Other	20	1,500	30,000
<b>TOTAL</b>	<b>270</b>		<b>546,500</b>

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- HVS Comparable Venues
- America's Center (St. Louis, MO)
  - Austin Convention Center (Austin, TX)
  - Baltimore Convention Center (Baltimore, MD)
  - Charlotte Convention Center (Charlotte, NC)
  - Ernest N. Morial Convention Center (New Orleans, LA)
  - Henry B. Gonzalez Convention Center (San Antonio, TX)
  - Indiana Convention Center (Indianapolis, IN)
  - Minneapolis Convention Center (Minneapolis, MN)
  - Kentucky International Convention Center (Louisville, KY)
  - Raleigh Convention Center (Raleigh, NC)
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**HVS** Survey Overview

- E-mail survey of event planners considered to be potential users of the MCC
- Received 133 responses of 677 verified e-mail addresses (20% response rate)
- 80% of respondents plan conventions or meetings, close to 40% plan tradeshow
- 95% of survey respondents plan national or international events; 36% plan regional events

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**HVS** Overwhelming Preference for Downtown Locations

Location	Percentage
Downtown	90%
Resort Area	7%
Airport	2%
Suburban	1%

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**HVS** High level of interest holding events in Nashville

Interest Level	Percentage
Highly Likely	57%
Likely	26%
Neutral	14%
Highly Unlikely	2%
Unlikely	1%

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**HVS** Music City Center will increase visitation

Impact	Percentage
Definitely increase our use of a convention center in Nashville	44%
May increase our use of a convention center in Nashville	37%
No effect on our decision	19%

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**HVS** Event planners ranked Nashville as most attractive city

City	Attractiveness Score (approx.)
Nashville, Tennessee	3.8
San Antonio, Texas	3.5
New Orleans, Louisiana	3.2
Baltimore, Maryland	3.1
Austin, Texas	3.0
Indianapolis, Indiana	2.9
Charlotte, North Carolina	2.8
Louisville, Kentucky	2.7
St. Louis, Missouri	2.6
Minneapolis, Minnesota	2.5
Raleigh, North Carolina	2.4

1.0 Very Unattractive    2.0 Somewhat Unattractive    3.0 Somewhat Attractive    4.0 Very Attractive

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**HVS** Revenue is comparable to other venues

Performance Indicator	MCC Stabilized Forecast		Average Comparable Venues
	2015-16	2008 Dollars	
Total Operating Revenue	\$ 26.2 M	\$ 22.0 M	\$ 16.1 M
per exhibit hall event	\$ 244 K	\$ 216 K	\$ 221 K
per all events	\$ 82 K	\$ 73 K	\$ 99 K
per attendee	\$ 40	\$ 36	\$ 27

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**HVS** Income loss is in the normal range

Performance Indicator	MCC Stabilized Forecast		Average Comparable Venues
	2015-16	2008 Dollars	
Total Operating Loss	\$ 2.6 M	\$ 2.2 M	\$ 2.2 M
loss per event	\$8.0 K	\$ 7.1 K	\$ 21.0 K
loss per attendee	\$ 3.94	\$ 3.48	\$ 2.37

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**HVS** Stabilized Financial Operations

Financial Operations in a Stabilized Year	2015-16
Operating Revenue	\$ 25.6 M
Operating Expense	28.1 M
Operating Income (Loss)	\$ (2.6) M
Capital Maintenance, Insurance and Operating Contingency	(2.3) M
Net Parking Revenue*	4.0 M
Total Net Income (Loss)	\$ (0.9) M

\*Source: Haas Parking Analysis adjusted for fiscal year

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**HVS**

## Tax Analyses

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- HVS** Taxes Supporting Project
- Hotel/Motel – 3% of 6% tax total dedicated to project financing
  - Hotel/Motel Tax Surcharge – \$2.00 per occupied room night
  - Airport Departure Tax – \$2.00 per contracted vehicle
  - Vehicle Rental Tax – 1% of gross rental charges
  - MCC Campus Tax – redirection of state (5.5%) and local sales tax (2.25%) on hotel and MCC sales
  - Tourism Development Zone (TDZ) Increment
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- HVS** Hotel Taxes - Methodology
- FY 2009 actual taxable gross revenue provide starting point for projections
  - Estimate changes in:
    - Supply – available room nights
    - Demand – available room nights (including induced demand from new convention center)
    - Price – effective average daily room rate
  - Calculate tax revenue based on 3% tax rate
  - Calculate surcharge based on \$2.00 per taxable room night (\$1.71 effective rate or per occupied room night).
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**HVS** Hotel Tax Forecasts (\$ millions)

Year	Room Taxes*	Surcharge
2013	\$14.8 M	\$9.7 M
2018	\$19.6 M	\$10.8 M
2023	\$22.4 M	\$11.3 M

Reflects the intergovernmental agreement with Gaylord, which allows redirection of revenues from 1% of the room tax rate to support the proposed Gaylord expansion. HVS estimates these amounts at \$1.2 M in 2013, \$1.7 M in 2018, and \$2.0 M in 2023.

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**HVS** Vehicle Rental and Airport Tax Methodology

- Vehicle Rental Growth rates based on historical averages
- Airport Departure Tax based on estimated growth in passenger counts

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**HVS** Airport and Vehicle Rental Tax Forecasts

Year	Airport Departure	Vehicle Rental
2013	\$0.37 M	\$1.07 M
2018	\$0.39 M	\$1.21 M
2022	\$0.42 M	\$1.37 M

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**HVS** Campus Taxes

- Redirection of sales taxes generated by MCC and the headquarters hotel:
  - State (5.5%)
  - Local (2.25% less administrative fees)
- Second hotel may be included if and when it is built (not included in current estimate)
- Components of tax separately estimated
  - Taxable gross revenue of hotels
  - F&B and event services (non-labor) at MCC
  - Parking
  - Retail

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**HVS** Campus Tax Summary

Year	Hotel	MCC	Parking	Retail	Total
2013	\$3.7 M	\$0.3 M	\$0.2 M	\$0.1 M	\$4.3 M
2018	\$6.3 M	\$1.5 M	\$0.6 M	\$0.6 M	\$9.0 M
2023	\$7.3 M	\$1.7 M	\$0.7 M	\$0.6 M	\$10.3 M

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**HVS** Tourism Development Zone – TDZ Increment

- Redirection of sales taxes
  - State 5.5%
  - Local 2.25% (less administrative fees)
- To the extent the growth rate in the TDZ exceeds the growth rate in the Davidson County as a whole
- Base year to be established in 2012 for first year of redirection in 2013
- Differential in growth rate is nearly impossible to predict in any given year
- HVS assumed MCC facilities would drive differential

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**HVS** Example

Growth rate in the TDZ sales taxes	5.0%
Growth rate in County sales taxes	<u>- 2.5%</u>
Differential	<u>2.5%</u>
Taxes Generated in TDZ	\$100,000,000
Times Differential	<u>X 2.5%</u>
Redirected Sales Taxes	<u>\$2,500,000</u>

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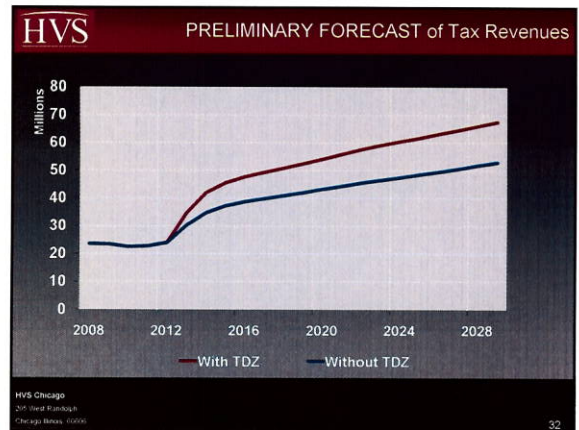
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**HVS** TDZ Distribution Scenario

Year	State Sales Taxes	Local Sales Taxes	Total
2013	\$ 3.1 M	\$ 1.3 M	\$ 4.4 M
2018	\$ 7.1 M	\$ 2.9 M	\$ 10.0 M
2023	\$ 9.0 M	\$ 3.6 M	\$ 12.6 M

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**Convention Center Authority**

Thursday, November 19, 2009

*Music City*  
CENTER



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

**ARTICLE I  
PURPOSE AND OFFICES**

**SECTION 1.1. Name.** The name of the authority is The Convention Center Authority of The Metropolitan Government of Nashville and Davidson County (the “Authority”).

**SECTION 1.2. Authority Office.** The principal office of the Authority shall be The Metropolitan Courthouse, 1 Public Square, Suite 106, Nashville, Tennessee 37201, as set forth in Section 3 of the Authority’s Charter, as the same shall be amended from time to time in accordance with the provisions of Tenn. Code Ann. §7-89-101, *et seq.* (2009), as now in effect and hereinafter amended (the “Convention Center Authorities Act of 2009”).

**SECTION 1.3. Registered Office.** The Authority shall have and continuously maintain in the State of Tennessee a registered office and registered agent whose office address is identical with such registered office, as amended from time to time. The Authority’s initial registered office shall be The Metropolitan Courthouse, 1 Public Square, Suite 106, Nashville, Tennessee 37201, as set forth in Section 11 of the Authority’s Charter, as the same shall be amended from time to time in accordance with the provisions of the Convention Center Authorities Act of 2009.

**SECTION 1.4. Authority Purposes.** The purposes for which the Authority is organized are to operate within the meaning of and exercise all powers granted to it by the Convention Center Authorities Act of 2009 including, without limitation, to plan, promote, finance, construct, acquire, renovate, equip and enlarge convention center facilities, along with associated hotel accommodations; transportation infrastructure; tourist, theatre and retail business facilities; commercial offices; parking lots or garages and any and all facilities related to any of these. The primary purpose of any and all such facilities shall be the conduct and service of conventions, public assemblies, conferences, trade exhibitions or other business, social, cultural, scientific and public interest events and related activities, but use of these facilities need not be limited to those events. Further, it is the purpose of the Authority to do what is reasonable and necessary to promote and further develop tourism, convention and employment opportunities in the Metropolitan Nashville and Davidson County area by, in part, attracting conventions, public assemblies, conferences, trade exhibitions or other business, social, cultural, scientific and public interest events and related activities to the Metropolitan Nashville and Davidson County area.

**SECTION 1.5. Members.** The Authority shall not have any members, voting or otherwise. Accordingly, all authority that would otherwise be reposed in members shall be exercised by the Board of Directors of the Authority (the “Board of Directors,” individual members referred to as a “Director”) as and to the extent provided or permitted by applicable law.

**ARTICLE II**  
**BOARD OF DIRECTORS**

**SECTION 2.1. Governance.** The business and affairs of the Authority shall be managed by the Board of Directors, which shall exercise in the name of and on behalf of the Authority all of the corporate powers, rights and privileges legally exercisable by the Authority, except as may otherwise be provided by law, the Charter of the Authority or these Bylaws. Further, the Board of Directors is authorized and empowered to create, appoint, establish or name such committees, consisting of three (3) or more Directors, to exercise some or all of the powers that would otherwise be exercisable by the Board of Directors as the Board of Directors shall deem necessary or appropriate and shall have the power by resolution to delegate and designate those powers, rights and privileges of the Board of Directors that shall be vested in and exercised by one or more such committees to the extent permitted by the Charter of the Corporation, these Bylaws and applicable law. In the event that committees are authorized by the Board of Directors, the Chair shall either call for director nominees from the Board of Directors or shall appoint such committees. Notwithstanding such, no such committees, unless specifically authorized by the Board of Directors, shall have and exercise the authority of the Board of Directors to [a] adopt, amend or repeal these Bylaws; [b] fill vacancies in any committee; or [c] adopt a plan of distribution of the assets of the Authority.

**SECTION 2.2 Qualification.** Each member of the Board of Directors shall be a duly qualified voter in The Metropolitan Government of Nashville and Davidson County, Tennessee (the “Metropolitan Government”). No Director shall be an elected official or employee of the Metropolitan Government. At least one (1) Director serving at any time shall be a female and at least one (1) Director serving at any time shall be a racial minority.

**SECTION 2.3 Number and Composition.** The Board of Directors shall consist of nine (9) Directors.

**SECTION 2.4. Election and Term.** Each member of the Board of Directors shall be appointed by the Metropolitan Government’s Mayor, as the chief executive officer of the Metropolitan Government (the “Mayor”), and confirmed by the Metropolitan Government’s Metropolitan Council, as the governing body of the Metropolitan Government (the “Council”). The Mayor, in making such appointments, shall strive to ensure that the Board of Directors is composed of Directors who are diverse in professional background, educational background, ethnicity, race, gender, geographic residency, heritage, perspective and experience. The Directors shall be classified with respect to the time for which they shall severally hold office by dividing them into three (3) classes containing substantially equal numbers. At the time of the appointment of the first Board of Directors, the Mayor shall designate those Directors who shall serve for an initial term of two (2) years; those Directors who shall serve for an initial term of three (3) years; and those Directors who shall serve for an initial term of four (4) years. Thereafter, those persons appointed and confirmed as successors to the class of Directors whose terms shall expire shall be appointed to hold office for the term of four (4) years.



**SECTION 2.5. Vacancies.** Any vacancy occurring in the Board of Directors may be filled by a person appointed by the Mayor and confirmed by the Council. A Director appointed and confirmed to fill a vacancy shall hold office of the unexpired term of his or her predecessor in office.

**SECTION 2.6. Resignation.** Any Director may resign by giving written notice of such resignation to the Chair or Secretary of the Board of Directors. Such resignation shall take effect at the time specified therein. If any Director should tender his or her resignation to take effect at a future time, then the Mayor shall have the right to appoint, subject to confirmation by the Council, a successor to take office at such time as the resignation shall become effective.

**SECTION 2.7. Removal.** To the extent authorized by law, any Director may be removed by a vote of two-thirds (2/3) of all members to which the Council is entitled.

**SECTION 2.8. Compensation.** Each person serving as a Director shall serve as such without compensation, except that he or she may be reimbursed for his or her actual expenses incurred in and about the performance of his or her duties as a Director.

**SECTION 2.9. Conflicts of Interest.** Each person serving as a Director shall be subject to the same conflict of interest and ethics provisions, statutes and ordinances, where applicable, applying to members of boards and commissions of the Metropolitan Government, whether now in effect or in the future existing, as stated in Tennessee Code Annotated, the Metropolitan Government Charter, and the Metropolitan Government Code of Laws.

### **ARTICLE III** **MEETINGS OF THE BOARD OF DIRECTORS**

**SECTION 3.1. Annual Meeting of the Board of Directors.** The annual meeting of the Board of Directors shall be held within Davidson County, Tennessee during the July regular meeting of each year or at such other time or date as shall be determined by the Board of Directors. The purpose of the annual meeting shall be to elect officers of the Authority and to conduct such other business as may be properly brought before the meeting. If the day fixed for the annual meeting shall fall on a legal holiday, such meeting shall be held on the next succeeding business day. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Authority, and, in the event of such failure, the annual meeting shall held within a reasonable time thereafter.

**SECTION 3.2. Regular Meetings of the Board of Directors.** The Board of Directors shall establish a schedule of regular meetings on such dates and at such times as the Board of Directors may designate, but occurring no less than on a quarterly basis. Regular meeting shall be held for the purpose of transacting such business as may be required or permitted pursuant to the Authority's Charter, these Bylaws or as may otherwise be properly presented to the Board of Directors. Any meeting of the Board of Directors shall be open to the public. Regular meetings of the Board may be held so as the agenda detailing the items that are to be considered

at the meeting shall be posted on the nashville.gov website. Further, the minutes for each meeting shall be posted on the nashville.gov website after their approval.

**SECTION 3.3. Special Meetings of the Board of Directors.** Special meetings of the Board of Directors may be called by the Chair or upon receipt of the written request of any four (4) directors, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given to each Director with reasonable notice.

**SECTION 3.4. Place of Meetings.** Meetings of the Board of Directors shall be held at the principal office of the Authority or at such other place within Davidson County, Tennessee, designated in the notices of meeting.

**SECTION 3.5. Quorum and Voting.** A majority of the members of the Board of Directors shall constitute a quorum; provided, however, that if less than such majority of the Directors is present at said meeting, a majority of the Directors present may adjourn the meeting from time to time, provided that the Secretary shall notify any absent Directors of the time and place of such adjourned meeting. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

**SECTION 3.6. Open Meetings.** Any meeting of the Board of Directors for any purpose whatsoever shall be open to the public.

**SECTION 3.7. Procedure at Meetings.** *Robert's Rules of Order Revised* (latest edition) shall govern procedure at all meetings of the Board of Directors and committees on matters that are not covered by these Bylaws. With regard to any matter or motion properly before the Board of Directors, the Chair may, but is not required to vote. Further, if a motion does not receive a majority of the votes cast, such motion does not pass.

## **ARTICLE IV** **OFFICERS**

**SECTION 4.1. Designation of Officers.** The officers of the Corporation shall be a Chair, a Vice-Chair, a Secretary and a Treasurer. The duties of Secretary and Treasurer may be performed by the same Director. The Chair, Vice-Chair, Secretary and Treasurer shall be members of and elected by the Board of Directors on an annual basis at the Authority's annual meeting.

**SECTION 4.2. Term and Removal.** An officer may be elected or appointed for one (1) year, but shall continue to hold office until a successor shall have been duly elected or appointed in accordance with these Bylaws, unless the Board of Directors shall decide to the contrary by vote taken in accordance with the Bylaws. Any officer may be removed from office at any time by action of the Board of Directors whenever in its judgment the best interest of the Authority will be served thereby. Except as otherwise provided in these Bylaws, a vacancy in any office shall be filled by the Board of Directors for the remainder of the term.



**SECTION 4.3. Duties of the Chair.** The Chair of the Board of Directors (the “Chair”), in addition to those duties prescribed by statute, shall preside at all meetings of the Board of Directors and shall be an ex-officio member of any and all committees or other administrative groups which may from time to time be appointed. The Chair shall have general administrative and executive charge of the business of the Board of Directors, subject to its supervision and control, and shall see that all resolutions or orders of the Board of Directors are implemented, carried out and/or executed. Subject to the supervision of the Board of Directors, the Chair shall have charge of the operations and business of the Board of Directors. The Chair shall make such reports as to the discharge of duties and conduct of the business as may from time to time by the Board of Directors be prescribed. The Chair shall sign all agreements, contracts, transfers and conveyances as required by statute or as may be authorized by the Board of Directors.

**SECTION 4.4. Duties of the Vice-Chair.** Whenever the Chair is unable or unwilling to perform his or her duties, the Vice-Chair of the Board of Directors (the “Vice-Chair”), shall perform those duties. Further, the Vice-Chair shall perform such other duties as the Board of Directors may from time to time prescribe.

**SECTION 4.5. Duties of the Secretary.** The Secretary of the Board of Directors (the “Secretary”) shall send appropriate notices or waivers of notice regarding Board of Directors meetings, shall prepare agendas and other materials for all meetings of the Board of Directors, shall act as official custodian of all records, reports and minutes of the Authority, the Board of Directors and all committees, shall be responsible for the keeping and reporting of adequate records of all meetings of the Board of Directors, shall certify as to actions taken by the Board of Directors, shall authenticate records of the Authority and shall perform such other duties as are customarily performed by or required of corporate secretaries.

**SECTION 4.6. Duties of the Treasurer.** The Treasurer of the Board of Directors (the “Treasurer”) shall have custody of the funds and securities of the Authority and shall oversee the full and accurate account of receipts and disbursements in books belonging to the Authority, and shall oversee the deposit of all monies or other valuable effects in the name and to the credit of the Authority in such depositories as may be designated by the Board of Directors. The Treasurer shall oversee the disbursement of the funds of the Authority as may be ordered by the Board of Directors, insuring that proper vouchers are taken for such disbursements, and shall render to the Chair and Board of Directors at regular meetings of the Board of Directors, or whenever they may require it, an account of all transactions by the Treasurer and the financial condition of the Authority. Further, all funds of the Authority shall be handled and accounted for by the Treasurer as required from time to time by the Director of Finance of the Metropolitan Government.

**ARTICLE V**  
**NON-PROFIT OPERATION**

The Authority shall at all times be operated as a public nonprofit corporation and a public instrumentality of the Metropolitan Government. No part of the Authority’s net earnings

remaining after payment of its expenses shall inure to the benefit of any individual, firm or corporation, except that, in the event the Board of Directors determines that sufficient provision has been made for the full payment of the expenses, bonds and other obligations of the Authority, including reserves for the expenses, bonds and other obligations, any net earnings of the authority thereafter accruing may be used to provide a reserve for depreciation of any project or projects undertaken by the Authority, in an amount determined by the Board of Directors to be necessary and reasonable, and net earnings available thereafter shall be paid to the Metropolitan Government; provided, that nothing contained in this section shall prevent the Board of Directors from transferring all or any part of its properties in accordance with the terms of any lease entered into by the Authority.

**ARTICLE VI**  
**SEAL**

The corporate seal of the Authority shall have inscribed thereon the name of the Authority, the year of its organization and the state of incorporation. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced. The presence or absence of a seal on any document shall in no way affect the validity or legality of any document.

**ARTICLE VII**  
**CONTRACTS, LOANS, CHECKS, DEPOSITS, INVESTMENTS, ETC.**

**SECTION 7.1. Contracts.** The Board of Directors may authorize any Director, officer, or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Authority.

**SECTION 7.2. Employment of Agents.** The Board of Directors shall be specifically authorized, in its sole discretion, to employ and to pay the compensation of such agents, accountants, custodians, experts, engineers, consultants and other counsel, legal, investment or otherwise, as the Board of Directors shall deem advisable, and to delegate discretionary powers to, and rely upon information furnished by such individuals or entities. Such authority may be general or confirmed to specific instances.

**SECTION 7.3. Indebtedness; Bonding Capacity.** The Board of Directors, on behalf of the Authority, shall have the power and be authorized to issue bonds as permitted by law, including the Convention Center Authorities Act of 2009.

**SECTION 7.4. Checks, Drafts, Etc.** All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Authority or to the Authority shall be signed or endorsed by such officer or officers or agent or agents of the Authority and in such manner as shall from time to time be determined by resolution of the Board of Directors.

**SECTION 7.5. Deposits.** All funds of the Authority not otherwise employed shall be



deposited from time to time to the credit of the Authority in such banks, trust companies, brokerage accounts, investment managers or other depositories as shall be approved by the Board of Directors.

**SECTION 7.6. Investments.** The Board of Directors shall be authorized to invest the Authority's funds, so long as such investments comply with Tenn. Code. Ann. §7-89-122 (2009).

**SECTION 7.7. Audit and Reporting Requirements.** The Board of Directors shall cause an annual audit to be made of the books and records of the Authority prepared in accordance with Generally Accepted Governmental Auditing Standards and that meets the minimum standards prescribed by the comptroller of the treasury. Further, the Board of Directors shall prepare an annual report of its business affairs and transactions. Copies of the annual audit and report shall be filed with the Council. In addition, the Board of Directors shall cause its annual budget and quarterly financial reports, including revenues and expenditures, to be submitted to the Mayor and the Council.

**SECTION 7.8. Purchase of Goods, Supplies and Services.** The Board of Directors shall adopt a policy for purchases, including those needed for operation, maintenance and routine repairs, consistent with the Convention Center Authorities Act of 2009.

## ARTICLE VIII STANDARDS OF CONDUCT

**SECTION 8.1. Standards of Conduct.** A Director or an officer of the Authority shall discharge his or her duties as a Director or as an officer, including duties as a member of a committee: [a] in good faith; [b] with the care an ordinarily prudent person in a like position would exercise under similar circumstance; and [c] in a manner he or she reasonably believes to be in the best interests of the Authority.

**SECTION 8.2. Reliance on Third Parties.** In discharging his or her duties, a Director or officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by: [a] one or more officers or employees of the Authority whom the Director or officer reasonably believes to be reliable and competent in the matters presented; [b] legal counsel, public accountants, or other persons as to matters the Director or officer reasonably believes are within the person's professional or expert competence; or [c] with respect to a Director, a committee of the Board of the Board of Directors of which the Director is not a member, as to matters within its jurisdiction, if the Director or officer reasonably believes the committee merits confidence.

**SECTION 8.3. Bad Faith.** A Director or officer is not acting in good faith if he or she had knowledge concerning the matter in question that makes reliance otherwise permitted by Section 8.2 unwarranted.

**SECTION 8.4. No Liability.** A Director or officer is not liable for any action taken,

or any failure to take action, as a Director or officer, if he or she performs the duties of his or her office in compliance with the provisions of this Article, or if he or she is immune from suit under the provisions of Tenn. Code Ann. § 48-58-601. No repeal or modification of the provisions of this Section 8.4, either directly or by the adoption of a provision inconsistent with the provisions of this Section, shall adversely affect any right or protection, as set forth herein, existing in favor of a particular individual at the time of such repeal or modification.

**SECTION 8.5. No Fiduciary.** No Director or officer shall be deemed to be a fiduciary with respect to the Authority or with respect to any property held or administered by the Authority, including, without limitation, property that may be subject to restrictions imposed by the donor or transferor of such property.

**SECTION 8.6. Prohibition on Loans.** No loans or guarantees shall be made by the Authority to its Directors or officers. Any Director who assents to or participates in the making of any such loan shall be liable to the Authority for the amount of such loan until the repayment thereof.

**ARTICLE IX**  
**INDEMNIFICATION**

**SECTION 9.1. Mandatory Indemnification of Directors and Officers.** To the maximum extent permitted by the provisions of Tenn. Code Ann. § 48-58-501, *et seq.*, as amended from time to time (provided, however, that if an amendment to such statute in any way limits or restricts the indemnification rights permitted by law as of the date hereof, such amendment shall apply only to the extent mandated by law and only to activities of persons subject to indemnification under this Section which occur subsequent to the effective date of such amendment), the Authority shall indemnify and advance expenses to any person who is or was a Director or officer of the Authority, or to such person's heirs, executors, administrators and legal representatives, for the defense of any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and whether formal or informal (any such action, suit or proceeding being hereinafter referred to as the "Proceeding"), to which such person was, is or is threatened to be made, a named defendant or respondent, which indemnification and advancement of expenses shall include counsel fees actually incurred as a result of the Proceeding or any appeal thereof, reasonable expenses actually incurred with respect to the Proceeding, all fines, judgments, penalties and amounts paid in settlement thereof, subject to the following conditions: [a] the Proceeding was instituted by reason of the fact that such person is or was a Director or officer of the Corporation; and [b] the Director or officer conducted himself or herself in good faith, and he or she reasonably believed [i] in the case of conduct in his or her official capacity with the Authority, that his or her conduct was in its best interests; [ii] in all other cases, that his or her conduct was at least not opposed to the best interests of the Authority; and [iii] in the case of any criminal proceeding, that he or she had no reasonable cause to believe his or her conduct was unlawful. The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent is not, of itself, determinative that the Director or officer did not meet the standard of conduct herein described.



**SECTION 9.2. Permissive Indemnification of Employees and Agents.** The Authority may, to the maximum extent permitted by the provisions of Tenn. Code Ann. § 48-58-501, *et seq.*, (provided, however, that if an amendment to such statute in any way limits or restricts the indemnification rights permitted by law as of the date hereof, such amendment shall apply only to the extent mandated by law and only to activities of persons subject to indemnification under this Section which occur subsequent to the effective date of such amendment), indemnify and advance expenses in a Proceeding to any person who is or was an employee or agent of the Authority, or to such person's heirs, executors, administrators, and legal representatives, to the same extent as set forth in Section 9.1 above, provided that the Proceeding was instituted by reason of the fact that such person is or was an employee or agent of the Authority and met the standards of conduct set forth in subsection 9.1(b) above. The Authority may also indemnify and advance expenses in a Proceeding to any person who is or was an employee or agent of the Authority to the extent, consistent with public policy, as may be provided by the Charter, by these Bylaws, by contract, or by general or specific action of the Board of Directors.

**SECTION 9.3. Non-Exclusive Application.** The rights to indemnification and advancement of expenses set forth in Sections 9.1 and 9.2 above are contractual between the Authority and the person being indemnified, and his or her heirs, executors, administrators and legal representative, and are not exclusive of other similar rights of indemnification or advancement of expenses to which such person may be entitled, whether by contract, by law, by the Charter, by a resolution of the Board of Directors, by these Bylaws, by the purchase and maintenance by the Authority of insurance on behalf of a Director, officer, employee, or agent of the Authority, or by an agreement with the Authority providing for such indemnification, all of which means of indemnification and advancement of expenses are hereby specifically authorized.

**SECTION 9.4. Non-Limiting Application.** The provisions of this Article 9 shall not limit the power of the Authority to pay or reimburse expenses incurred by a Director, officer, employee, or agent of the Authority in connection with such person's appearing as a witness in a Proceeding at a time when he or she has not been made a named defendant or respondent to the Proceeding.

**SECTION 9.5. Prohibited Indemnification.** Notwithstanding any other provision of this Article 9, the Authority shall not indemnify or advance expenses to or on behalf of any Director, officer, employee, or agent of the Authority, or such person's heirs, executors, administrators or legal representatives: [a] if a judgment or other final adjudication adverse to such person establishes his or her liability for any breach of the duty of loyalty to the Authority, for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or under Tenn. Code Ann. § 48-58-304; or [b] in connection with a Proceeding by or in the right of the Authority in which such person was adjudged liable to the Authority; or [c] in connection with any other Proceeding charging improper personal benefit to such person, whether or not involving action in his or her official capacity, in which he or she was adjudged liable on the basis that personal benefit was improperly received by him or her.

**SECTION 9.6. Repeal or Modification Not Retroactive.** No repeal or modification of the provisions of this Article 9, either directly or by the adoption of a provision inconsistent with the provisions of this Article, shall adversely affect any right or protection, as set forth herein, existing in favor of a particular individual at the time of such repeal or modification.

**ARTICLE X**  
**NOTICES AND WAIVER OF NOTICE**

**SECTION 10.1 Giving of Notice to Directors.** Whenever notice is required to be given to the Directors, unless otherwise provided or required by law, the Charter or these Bylaws, such notice may be given by e-mail. To the extent written notice is required to be mailed, it shall be deemed to have been given when it is mailed. Any other written notice shall be deemed to have been given at the earliest of the following: [a] when received; [b] five (5) days after its deposit in the United States mail if sent first class, postage prepaid; or [c] on the date on the return receipt, if sent by registered or certified United States mail, return receipt requested, postage prepaid, and the receipt is signed by or on behalf of the addressee.

**SECTION 10.2 Notice of Public Meetings.** The Secretary shall give adequate public notice of any and all meetings of the Board of Directors required to be given under Tenn. Code Ann. §8-44-101, *et seq.* in satisfaction of the requirements for such notice thereunder.

**ARTICLE XI**  
**FISCAL YEAR**

The fiscal year of the Authority shall commence on July 1 of each year.

**ARTICLE XII**  
**AMENDMENTS**

These Bylaws may be altered, amended, or repealed, and new Bylaws adopted upon the affirmative vote of two-thirds (2/3) of the members of the Board of Directors at any annual, regular or special meeting, provided that notice of such amendment has been given to all members of the Board of Directors in accordance with the notice provisions set forth in Article 10 hereof.

**ARTICLE XIII**  
**SAVINGS CLAUSE**

Notwithstanding anything contained herein to the contrary, the terms and conditions contained in these Bylaws shall be expressly subject to the terms and conditions of the Charter of the Authority and the Convention Center Authorities Act of 2009. In the event of a conflict between the terms hereof and the provisions of the Convention Center Authorities



Act of 2009, as now in effect or hereinafter amended, the terms and conditions of the Convention Center Authorities Act of 2009 shall prevail, and the Board of Directors shall take any and all actions reasonably necessary to amend these Bylaws in conformity therewith.

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**APPROVED: BOARD OF DIRECTORS MEETING OF THE CONVENTION  
CENTER AUTHORITY OF THE METROPOLITAN GOVERNMENT OF NASHVILLE  
AND DAVIDSON COUNTY ON THE \_\_\_\_ DAY OF \_\_\_\_\_, 2009.**

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**C. Mark Arnold**

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**Marty G. Dickens**

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**Darrell Drumwright**

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**Kenneth Levitan**

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**Vonda McDaniel**

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**William McDonald**

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**William Lucas Simons**

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**Mona Lisa Warren**

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**Leo Waters**