

**MINUTES OF A MEETING OF
THE BOARD OF DIRECTORS
OF AUSTIN CONVENTION ENTERPRISES, INC.**

May 8, 2020

A regular meeting of the Board of Directors of Austin Convention Enterprises, Inc. (the "Corporation") was held by video-conference on May 8, 2020, at 9:00 a.m. This meeting was open to the public. Notice of the meeting was given in accordance with Chapter 551, Texas Government Code, as amended and the March 17, 2020 directive by the Governor of Texas suspending certain open meeting laws.

1. Agenda item 1 was considered: Call to Order; determination of quorum.

Phillip Schmandt called the roll of duly constituted members of the Board of Directors (the "Board"), who are as follows: Phillip Schmandt, Jolsna Thomas and Sherri Greenberg. Mr. Schmandt and Ms. Thomas were present thus constituting a quorum of the Board. Noting that a quorum was present, Mr. Schmandt called the meeting to order at 9:02 a.m. Also on the video-conference were David Dawson and Jeff Nydegger of Winstead PC, general counsel to the Corporation, John Roberts, Advisor to the Board, Chad Sorensen and Joe DeFrank of CHMWarnick ("CHMW"), operations monitor, Teo Gomez, facilities consultant to the Corporation, and Joe Bolash, General Manager, of the Hilton Austin (the "Hotel"). Ms. Greenberg joined the meeting at 9:10 a.m.

2. Agenda item 2 was considered: Approve minutes for the April 13, 2020 Corporation Board meeting.

Ms. Thomas moved to approve the minutes. Mr. Schmandt seconded the motion, and the motion was approved unanimously.

3. Agenda item 3 was considered: Receive information from Joe Bolash, General Manager of the Hotel, and Chad Sorensen and Joe DeFrank, CHMWarnick, Operations Monitor for the Corporation, on updated current and projected operating performance of, and cash flow from, the Hotel and the status of negotiations with Hilton for fee relief with regard to the current management agreement for the Hotel. Consider possible action related to same.

Mr. Bolash began the discussion stating average occupancy remains low, noting April occupancy was an all time low for the Hotel. Mr. Bolash did note that short term transient activity has increased slightly, providing a small amount of optimism for the near future.

Mr. DeFrank then reviewed a presentation showing summary hotel operating performance data for March and April, and updated projections for the second quarter of 2020 assuming both a temporary suspension of operations (TSO) as well as ongoing low occupancy operations, noting the projections are not materially different from the projections presented at the April 13, 2020 Board meeting.

Mr. Sorensen explained that negotiations with Hilton for relief from management and other fees charged to the Hotel have been referred to a Hilton corporate committee, along with many other properties managed by Hilton, and that he is still waiting for a response. Due to the large number of properties involved and the substantial furloughs at Hilton corporate offices, Mr. Sorensen was uncertain on the timing of a response from Hilton, but noted he is pressing Hilton for an answer.

4. Agenda item 4 was considered: Receive information from John Roberts, Advisor to the Board, regarding the recent update to the 2017 Bond ratings from S & P Global Ratings.

Mr. Roberts referred the Board to the S&P Global report issued on April 22, 2020. Such report provided the reasoning for the S&P Global downgrade of the 2017 Series A and B Bonds to BBB- and BB, respectively, with a negative credit watch. Such downgrade was a reduction from previous ratings of BBB+ and BBB-, respectively.

5. Agenda item 5 was considered: Receive ongoing orientation from David Dawson, Winstead PC, General Counsel to the Corporation on Corporation structure and operations, focusing on a review of the Bond Indenture Agreement.

Mr. Dawson presented a summary description of the Indenture of Trust related to the 2017 Series A and B Bonds, explained various material terms of the document, and answered questions related thereto.

6. Agenda item 6 was considered: Receive report from John Roberts on the status of the previously approved capital project to convert 10th and 11th floor hotel room bathroom tubs to showers.

Mr. Roberts explained that the contracts for the general contractor and water mitigator contractor have been executed. A preconstruction meeting occurred during the previous week, per Mr. Roberts, and work is scheduled to begin the following week. All residents on the 9th floor have been notified and Mr. Gomez is coordinating with the residents to gain access for necessary modifications to plumbing and fire and water proofing of the slab between the 9th and 10th floors. The project is still projected to be completed by mid June, per Mr. Roberts.

7. Agenda item 7 was considered: Receive report from John Roberts on the status of engagement of a consultant to develop web site for the Corporation. Consider possible action related to same.

Mr. Roberts reviewed the process for selecting LexBlog as the contractor to develop the Corporation's web site. He then reviewed the first draft of the web site with the Board. Mr. Schmandt moved to authorize Ms. Greenberg to work with Mr. Roberts to review, edit and finalize the web site. Ms. Thomas seconded the motion and the motion passed unanimously.

8. Agenda item 8 was considered: Receive information from John Roberts, advisor to the Board on adding a process to invite public input at future Corporation Board meetings. Consider possible action related to same.

Mr. Roberts presented a summary of a proposed procedure to invite the public to speak at future Corporation Board meetings. He noted that the procedure is based on the procedure used by the

Austin City Council for their meetings. Mr. Roberts noted that an explanation for the process to register to speak would be added to the agenda for all future meetings. Ms. Greenberg asked to refer to speakers as the public and not citizens. She also suggested that an explanation of the process for registration be added to the website in the same location as the notice for future meetings to make it more obvious to interested parties. Mr. Schmandt moved to adopt the procedures, with the modifications requested by Ms. Greenberg. Ms. Thomas seconded the motion and the motion was unanimously approved.

9. Agenda item 11 was considered: Discuss authorizing counsel to prepare a draft amendment to the Corporation bylaws that would authorize the Board to hire and fire a full or part time Chief Executive Officer and President, who would be an employee of the corporation and entitled to compensation as established by the Board. Consider possible action related to same.

Mr. Schmandt explained that he added this item to the agenda to address his concern that the Corporation was too thinly staffed, but the current bylaws do not allow for the Corporation to hire a president to enact the policies of Corporation as directed by the Board. He noted that his intent would be for the Board to continue to maintain authority to hire/fire such officer and maintain control of Corporation's policies and strategies. Mr. Schmandt then moved to authorize Mr. Dawson to draft an amendment to the Corporation bylaws to allow the Board to hire/fire a president, and to make further amendments to the bylaws for issues that Mr. Dawson deems necessary to correct any conflicts or add updates needed, in general. Ms. Greenberg seconded the motion and the motion was unanimously approved.

Mr. Dawson then suggested further discussion, including specific potential candidates would be best addressed in executive session.

At 10:31 a.m., Mr. Schmandt, citing Section 551.071 of the Texas Government Code, called the Board into executive session to receive advice from counsel with regard to agenda items 9, 10, 11, and 12. He then recited those items from the agenda and the Board entered into executive session.

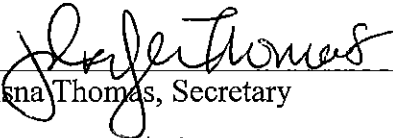
At 11:01 a.m. the Board ended the executive session and returned to the regular session.

Ms. Thomas noted that Mr. Schmandt had to leave the meeting for a previous commitment at 11:00 a.m., but noting a quorum still existed, Ms. Thomas moved to appoint Mr. Schmandt as the Board representative to address and act on issues related to ACCA. Ms. Greenberg seconded the motion and the motion was unanimously approved.

Noting that there were no other matters to discuss, and there being no further business to come before the Board, Ms. Thomas moved to adjourn the meeting. Ms. Greenberg approved the motion.

THE MEETING ADJOURNED AT 11:02 A.M.

APPROVED:



Jolna Thomas, Secretary

Date: 6/8/2020