

RESOLUTION NO. 2005-62
ARIZONA TOURISM AND SPORTS AUTHORITY
Resolution Imposing a Facility Use Fee on Users of the Facility

I. RECITALS

WHEREAS, pursuant to Arizona Revised Statutes Section 5-801 *et seq.* (the “Act”), the Arizona Tourism and Sports Authority (the “Authority”) is authorized to construct, finance, furnish, maintain, improve, operate, market and promote the use of a multipurpose facility to be used to accommodate professional football franchises, major college football bowl sponsors, other sporting events and entertainment, cultural, civic, meeting, trade show or convention events or activities and may include a stadium, on-site infrastructure, parking garages and lots and related commercial uses and do all things necessary or convenient to accomplish those purposes (the “Facility”); and

WHEREAS, the City of Glendale (the “City”) and the Authority have entered into that certain Development and Disposition and Intergovernmental Agreement dated effective as of September 3, 2002 and recorded on September 5, 2002 in Document No. 2002-0912994, Official Records of Maricopa County, Arizona, as supplemented on September 11, 2002 and amended on July 22, 2003 (the “Development Agreement”), which provides for the development of the Facility on land located in the City and with infrastructure, parking, access and improvements provided by the City; and

WHEREAS, B&B Holdings, Inc., d/b/a the Arizona Cardinal (the “Team”) and the City entered into a Development Agreement on September 3, 2002, as amended on July 2, 2003 (“Cardinals Development Agreement”) and

WHEREAS, the Authority, the City and the Cardinals entered into the Memorandum of Agreement dated November 1, 2004 (the “MOA”), which amended certain provisions of, among other agreements, the Development Agreement and the Cardinals Development Agreement (collectively, the “Development Agreements”), pursuant to which the parties agreed that facility use fee and ticket surcharge contained in the Development Agreements would be abolished and that the City will assign and pledge certain revenues, including certain City excise taxes and parking revenues to the Authority and, in exchange, the Authority will issue bonds to assist in the finance of the construction of the adjacent parking and on-site infrastructure (the “On-site Infrastructure”); and

WHEREAS, the Authority and The Arizona Sports Foundation (the “Foundation”) and the Team entered into a Maricopa County Multipurpose Facility Fiesta Bowl Use Agreement (the “Fiesta Bowl Use Agreement”) on February 12, 2002, providing for, among other things, the Foundation’s use of the Facility to play Fiesta Bowl games and to pay a special ticket surcharge (“Ticket Surcharge”) on all tickets to the Fiesta Bowl; and

WHEREAS, the Authority, the Foundation and the Team propose to enter into an Amended and Restated Fiesta Bowl Use Agreement (the “Amended and Restated Fiesta Bowl

Agreement”) that fully amends and restates the Fiesta Bowl Use Agreement and impose a facility use fee and other requirements on users in addition to the Ticket Surcharge; and

WHEREAS, the Team and the Authority have entered into that certain Maricopa County Multipurpose Facility Cardinals Use Agreement dated November 14, 2001, as amended on January 16, 2002 (the “Cardinals Use Agreement”); and

WHEREAS, the Authority and the Team propose to enter into an Amended and Restated Cardinals Use Agreement (the “Amended and Restated Cardinals Agreement”) that fully amends and restates the Cardinals Use Agreement and imposes a facility use fee on users of the Facility; and

WHEREAS, pursuant to the Act, the board of directors (the “Board”) of the Authority is empowered to impose a use fee on all users of the Facility; and

WHEREAS, after due consideration of the recommendations the Board desires to impose and approve a facility use fee and require the collection of such fee in trust for, and for the benefit of, the Authority as in the best interests of the Authority.

II. IMPOSITION OF FACILITY USE FEE

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby imposes on all users of the Facility (except for the Team and the Foundation) a facility use fee, as set forth on Exhibit A attached hereto (the “Facility Use Fee”), all in an amount equal to:

A. \$1.00 for each ticket sold for events where anticipated ticket sales are expected to be less than 18,000 per event day or for any general admission event and increasing by \$1.00 every 7th year thereafter; and

B. \$4.25 for each ticket sold for events (but not general admission events) where anticipated ticket sales are expected to be equal to or greater than 18,000 per event day and increasing by \$0.25 every year thereafter; and

FURTHER RESOLVED, that the Facility Use Fee from the moment of collection by anyone upon the sale of any tickets for events at the Facility shall be collected in trust for, and for the benefit of, the Authority; and

FURTHER RESOLVED, that no Facility Use Fee shall be imposed or collected by the Authority for events where no ticket is sold; and

FURTHER RESOLVED, that the Authority’s determination in good faith of “anticipated ticket sales” for an event for which the Facility Use Fee is required shall be conclusive and binding on all parties; and

FURTHER RESOLVED, that because of the significant contributions made by each of the Team and the Foundation, a facility use fee will be collected in trust for, and for the benefit

of, the Authority upon the sale of any tickets for their respective events and shall be paid to the Authority by each of these parties, but in such amounts as are set forth in the Amended and Restated Cardinals Agreement and the Amended and Restated Fiesta Bowl Agreement, respectively; and

FURTHER RESOLVED, that the Chairman of the Board, the Chief Executive Officer and the Chief Financial Officer be, and they hereby are, authorized and directed to take all actions necessary, appropriate or advisable to effectuate the foregoing resolutions, including the incurrence of fees and expenses and recording of certain documents and agreements, as in their judgment shall be necessary, appropriate or advisable to carry into effect the purposes and intent of this Resolution and the transactions contemplated by this Resolution; and

III. MISCELLANEOUS MATTERS

FURTHER RESOLVED, that all actions previously taken on behalf of the Authority by any director or officer of the Authority in connection with any of the foregoing matters are hereby ratified, confirmed and approved in all particulars as the acts of the Authority.

Dated: June 23, 2005

EXHIBIT A

Facility Use Fee Schedule

Events With Anticipated Ticket Sales of 18,000 or more:		Events with Anticipated Ticket Sales of less than 18,000 or General Admission Events	
Year	Amount of Facility Use Fee	Year	Amount of Facility Use Fee
1	\$4.25	1	\$1.00
2	\$4.50	2	\$1.00
3	\$4.75	3	\$1.00
4	\$5.00	4	\$1.00
5	\$5.25	5	\$1.00
6	\$5.50	6	\$1.00
7	\$5.75	7	\$1.00
8	\$6.00	8	\$2.00
9	\$6.25	9	\$2.00
10	\$6.50	10	\$2.00
11	\$6.75	11	\$2.00
12	\$7.00	12	\$2.00
13	\$7.25	13	\$2.00
14	\$7.50	14	\$2.00
15	\$7.75	15	\$3.00
16	\$8.00	16	\$3.00
17	\$8.25	17	\$3.00
18	\$8.50	18	\$3.00
19	\$8.75	19	\$3.00
20	\$9.00	20	\$3.00
21	\$9.25	21	\$3.00
22	\$9.50	22	\$4.00
23	\$9.75	23	\$4.00
24	\$10.00	24	\$4.00
25	\$10.25	25	\$4.00
26	\$10.50	26	\$4.00
27	\$10.75	27	\$4.00
28	\$11.00	28	\$4.00
29	\$11.25	29	\$5.00
30	\$11.50	30	\$5.00