

RESOLUTION NO. 2006-68
ARIZONA SPORTS AND TOURISM AUTHORITY
Resolution Approving the Arizona Sports and Tourism Authority
Constant Maturity Swap Related to the Senior Variable Rate Demand Revenue Bonds
Series 2005A

I. RECITALS

WHEREAS, the Arizona Sports and Tourism Authority (the “Authority”) issued Senior Variable Rate Demand Bonds in September 2005 (the “Series 2005A”); and

WHEREAS, the Authority, concurrent with the issuance of the Series 2005A bonds, entered into an interest rate swap agreement wherein the Authority contracted to receive a variable rate payment of 72% of LIBOR and make a payment of 3.516% of the outstanding principal amount of the 2005A bonds for the express objective of lowering the debt service interest costs associated with the bond issue; and

WHEREAS, the current interest rate market is very narrow, or flat, relative to historical levels when comparing short-term and long-term rates which is referred to as a “flat yield curve” and which provides the Authority a market-driven opportunity to overlay the existing 72% of LIBOR swap with a Constant Maturity Swap (the “CMS”) which offers the benefit of the potential return to a more upwardly sloping yield curve; and

WHEREAS, the CMS would be a new swap contract between the Authority and RBC Capital Markets (the “RBC”) that would be in addition to the existing interest rate swap wherein the Authority would agree to pay 72% of LIBOR and to receive not less than 62% of the ten-year rate.

WHEREAS, the Finance, Budget and Audit Committee thoroughly reviewed the recommendations of its financial advisors and has determined there is an economic value in moving forward with the additional new swap contract described herein;

II. APPROVAL OF CONSTANT MATURITY SWAP

NOW, THEREFORE, BE IT RESOLVED, that the Board approves the terms and conditions of the CMS; and

FURTHER RESOLVED, that the President and CEO of the Authority is authorized and directed, in the name and on behalf of the Authority, to take all actions necessary, appropriate or advisable to effectuate the foregoing resolution, as in his 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: October 30, 2006