

RESOLUTION NO. 2008-76

Arizona Tourism and Sports Authority

Resolution to adopt form of stadium license memorandum of understanding with the National Football League for Super Bowl XLVI to be held in 2012, Game Day Expenses and Refunding certain transaction privilege taxes derived from sales of admissions to the Super Bowl and related events to the National Football League

I. RECITALS

WHEREAS, the National Football League (the "League") is accepting bids to host its championship game (the "Super Bowl XLVI") in 2012;

WHEREAS, the Super Bowl Bid Committee (the "Committee") will submit a bid proposal for the 2012 Super Bowl XLVI to be held at the University of Phoenix Stadium (the "Stadium");

WHEREAS, the Committee has requested that the Arizona Tourism and Sports Authority (the "Authority") contribute to certain expenses and costs associated with Super Bowl XLVI;

WHEREAS, pursuant to A.R.S. § 5-804, the Authority is authorized to enter into contracts to carry out the purposes of the Authority; and

WHEREAS, the Super Bowl Bid Committee committed in their bid proposal to the League that the transaction privilege tax revenues derived from game tickets to the Super Bowl be waived or provided to the League;

WHEREAS, the Authority has issued bonds for which the transaction privilege tax revenues derived from game tickets are pledged to the bondholders;

WHEREAS, pursuant to A.R.S. § 5-804, the Authority is authorized to enter into contracts with a professional football league for its championship game that provide for the payment to the league of "transaction privilege tax revenues derived pursuant to section 42-5073, subsection G, paragraph 1 from sales of admissions" to this championship game;

WHEREAS, the League is a professional football league and the Super Bowl is its championship game;

WHEREAS, pursuant to A.R.S. § 5-804, the Authority can only provide the transaction privilege tax revenues to the professional football league if the Authority has paid or has sufficient revenues to fully pay the current year's required principal and interest payments on any outstanding Authority bonds for which the these revenues were pledged;

WHEREAS, the Board is entitled to reasonably rely on the projections, analyses and advice prepared and presented by the Authority's Chief Financial Officer (the "CFO") and the Finance Committee as to whether there are sufficient projected revenues for the Authority: (i) to

fully pay the current year's required principal and interest payments on any outstanding Authority bonds for which these revenues were pledged; and (ii) to fund all of the statutory account and sub-account funding obligations of the Authority that rank prior to an obligation arising from a contract obligation (the "Bond Payment and Waterfall Financial Advice");

WHEREAS, the Authority receives the refunded transaction privilege taxes in a monthly lump sum from the Arizona Department of Revenue (the "Department") and the City of Glendale (the "City") only if the taxpayer has properly been licensed, has properly coded the related transaction privilege tax forms as MCB for the State of Arizona and as Geo Code 5 for the City;

WHEREAS, the Authority has no knowledge or information as to the composition or origination of the lump sum received from the Department and the City unless the payer(s) of the transaction privilege tax has signed and provided to the Authority a Release of Information waiver or has directly provide the Authority with a signed copy of its transaction privilege tax reporting form which has properly accounted and reported, on separate lines, the sales and related taxes for all applicable categories of which the game day tickets are the primary category;

WHEREAS, the CFO and the Finance Committee will provide their Bond Payment and Waterfall Financial Advice to the Board when requested by the Chairman of the Board in order to meet the obligations of the Authority set forth herein; and

WHEREAS, pursuant to A.R.S. § 5-805, the President and Chief Executive Officer of the Authority (the "CEO") is empowered to negotiate, make, execute, acknowledge and perform agreements necessary to accomplish the purposes of the Authority, which agreements are subject to the approval or ratification of the Board.

II. MEMORANDUM OF AGREEMENT

NOW, THEREFORE, BE IT RESOLVED, that the attached form of Memorandum of Understanding (the "MOU") with the League be, and it hereby is, approved and adopted by the Board provided that the Committee provides to Board those details regarding the bid specifications for the Super Bowl XLVI that pertain to the contributions expected by the Authority and the use of the Stadium (the "Bid Specifications") and such Bid Specifications are consistent with the representations made by the Committee to the Board;

FURTHER RESOLVED, that the CEO be, and he hereby is, directed to execute and deliver to the League and the Committee, the MOU on behalf of the Authority;

FURTHER RESOLVED, that the CEO be, and he hereby is, authorized and directed, in the name and on behalf of the Authority, to negotiate any other agreements or documents, to be approved by the Board, and to take all actions necessary, appropriate or advisable to effectuate the foregoing resolutions, including the incurrence of fees and expenses, 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. GAME DAY EXPENSES

FURTHER RESOLVED, that the Authority be, and it hereby is, authorized to contribute the game day operating expenses and costs associated with Super Bowl XLVI up to the greater of \$500,000 or the actual amount of non-admission related transaction privilege tax refunds from state and/or local sources received by the Authority resulting from transaction activity at the Stadium associated with Super Bowl XLVI in such game day operating expenses and costs;

FURTHER RESOLVED, that the CEO be, and hereby is, authorized and directed, in the name and on behalf of the Authority, to take any and all actions necessary to effectuate the foregoing resolution; and

IV. TRANSACTION PRIVILEGE TAX REFUND ON ADMISSIONS

NOW, THEREFORE, BE IT RESOLVED, that, so long as the Board concludes that the Authority has paid or will be able to fully pay its bond payment and statutory account and sub-account funding obligations (the "Authority Obligations"), the Authority agrees that it will return to the League the transaction privilege tax revenues derived from the sale of game tickets to the Super Bowl and other admission tickets for events held on the Stadium property (which may require amending existing A. R. S.) that are actually received by the Authority, which taxes are currently 5% for the State of Arizona and 1.2% for the City (the "Ticket Tax Proceeds");

FURTHER RESOLVED, as of the date Super Bowl game tickets are first available for purchase or any day subsequent up to the day of the Super Bowl, the Board will make a determination that the Authority has paid and will be able to fully pay with the Authority Obligations for that current year;

FURTHER RESOLVED, that, provided the Board determines that the Authority has been provided sufficient documentation from the League or from the Department and the City pursuant to a waiver provided by the League which allows the Authority to determine with certainty that it is receiving and refunding to the League exactly those Ticket Tax Proceeds to which both the Authority and the League are entitled;

FURTHER RESOLVED, that if the Board determines that the Authority has paid or will be able to fully pay the Authority Obligations for that current year, then the Ticket Tax Proceeds will be returned to the League no later than the first business day following the date that the Authority has: (i) received advice or confirmation from the League or the Department of the exact amount of Ticket Tax Proceeds collected by the Department and the Ticket Tax Proceeds collected by the Department are actually received by the Authority; and (ii) received advice or confirmation from the League or the City of the exact amount of Ticket Tax Proceeds collected by the City and the Ticket Tax Proceeds collected by the City are actually received by the Authority;

FURTHER RESOLVED, that this timetable will apply to any future Super Bowl that are held at they University of Phoenix Stadium; and

IV. 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: March 18, 2008.

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