

RESOLUTION NO. 2008-78
ARIZONA SPORTS AND TOURISM AUTHORITY
Resolution Approving the Arizona Sports and Tourism Authority
Amended Constant Maturity Swap Related to the Senior Variable Rate Demand Revenue
Bonds Series 2008

I. RECITALS

WHEREAS, the Arizona Sports and Tourism Authority (the “Authority”) issued Senior Variable Rate Demand Bonds in September 2005 (the “Series 2005A”) which were subsequently refunded in May 2008 (the “Series 2008”); 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 Authority, in October 2006, entered into a second interest rate swap agreement wherein the Authority would agree to pay 72% of LIBOR and to receive not less than 62% of the ten-year rate (the “Constant Maturity Swap” or “CMS”); and

WHEREAS, the current interest rate market provides the Authority a market-driven opportunity to amend the existing CMS to lock in a fixed favorable spread (or, alternatively, a lump sum present value payment) through a reversal of the swap payment terms for a period of up to three years; and

WHEREAS, the Authority’s benchmark target for the amended CMS, based on historical market performance, is a minimum spread of 72 basis points (or its present value in the form of a lump sum payment), net of any and all discounts and fees; and

WHEREAS, the Finance, Budget and Audit Committee thoroughly reviewed the recommendations of its staff and financial advisors and has determined that, upon meeting the Authority’s benchmark target, there is an economic value in moving forward with the amended CMS described herein;

II. APPROVAL OF AMENDED CONSTANT MATURITY SWAP

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

FURTHER RESOLVED, that the President and CEO or the Chief Financial Officer 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: December 18, 2008