

TOURISM AND SPORTS AUTHORITY

Resolution providing for the authorization and issuance of up to \$15,000,000 Senior Bonds under Trust Indenture to evidence Stadium Term Loan

IT IS RESOLVED by the Board of Directors (the “*Board*”) of the Tourism and Sports Authority (the “*Authority*”) as follows:

SECTION 1. Findings and Determinations by the Board. The Board finds and determines as follows:

(a) The Authority has entered into a Credit and Pledge Agreement dated January 18, 2001, as amended to date (together with other agreements, debt instruments and documents contemplated thereby, the “*Existing Agreement*”), with Wells Fargo Bank, National Association and Bank One, Arizona, NA (collectively, the “*Lenders*”).

(b) Pursuant to the Existing Agreement, the Authority may receive advances from the Lenders (1) for operating expenses evidenced by a Line of Credit Note, (2) for multipurpose stadium facility purposes evidenced by an Authority Stadium Bond and (3) for Cactus League purposes evidenced by an Authority Cactus League Bond. The Authority has to date received advances from the Lenders for operating expenses and multipurpose stadium facility purposes.

(c) The Board expects that the Authority will sell and issue subordinate bonds to provide permanent financing for the Authority’s commitment to assist in financing major league baseball spring training facilities to be located in, and owned and operated by, the City of Surprise, Arizona, pursuant to the provisions of the Intergovernmental Agreement, dated to be effective May 21, 2001, between the Authority and the City, pertaining to the Kansas City Royals and the Texas Rangers Spring Training Facilities (the “*Surprise Project*”), which bonds will also provide for repayment of any amounts advanced by the Lenders to the Authority pursuant to the Existing Agreement for Cactus League purposes. The Board also expects that the Authority will sell and issue senior bonds to provide permanent financing for the multipurpose stadium facility the Authority will construct and operate, which bonds will also provide for repayment of any amounts advanced by the Lenders to the Authority pursuant to the Existing Agreement for multipurpose stadium facility purposes. However, it may be necessary for the Authority to issue the subordinate bonds for the Surprise Project in advance of issuance of the permanent financing bonds for the multipurpose stadium facility.

(d) In connection with the authorization, issuance, and sale of the permanent financing bonds, there have been prepared and submitted to the Board (1) a form of Trust Indenture (the “*Trust Indenture*”) providing for the issuance of senior bonds for multipurpose stadium facility purposes (“*Senior Bonds*”) and for the issuance of subordinate bonds for Cactus League purposes (“*Subordinate Bonds*”) and (2) a form of Series Supplemental Indenture (the “*Lender Bond Supplemental Indenture*”) pursuant to which a senior bond would be issued and delivered to the Lenders (the “*Lender Senior Bond*”) in exchange for the outstanding principal

amount, if any, of the Authority Stadium Bond held by the Lenders at the time of issuance of the permanent financing bonds for the Surprise Project if the permanent financing bonds for the multipurpose stadium facility are to be issued at a later time.

(e) The Authority, through its Board, desires to approve and authorize the issuance of the Lender Senior Bond in exchange for the Authority Stadium Bond if the permanent financing bonds for the multipurpose stadium facility are not issued until after issuance of the permanent financing bonds for the Surprise Project.

SECTION 2. Authorization to Approve, Sign and Deliver Documents and Take Actions. The Chairman of the Board and the President and Chief Executive Officer of the Authority (each an “*Authorized Officer*”) are each authorized and directed to sign and deliver in the name and on behalf of the Authority, and to cause the Authority to perform its respective obligations under, the Trust Indenture and the Lender Bond Supplemental Indenture and such other agreements, debt instruments and documents as are contemplated thereby and by this Resolution, with such changes therein and additions or deletions thereto as any Authorized Officer may approve or deem necessary, appropriate or advisable to carry out the purposes and intent of this Resolution, the signing and delivery thereof by such officer to be conclusive evidence of the approval of such changes and additions, and to perform all other acts that may be necessary in connection therewith. The Authorized Officers, and each of them acting alone, are authorized and directed, in the name and on behalf of the Authority, to take or cause to be taken any and all further actions and to sign and deliver, or cause to be signed and delivered, all such further agreements and such further documents, certificates and undertakings, and to incur all such fees and expenses, 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 the taking of such action or the signing and delivering of any such agreement, debt instrument or document by such officer shall conclusively evidence the due authorization thereof by this Board.

SECTION 3. Authorization and Purpose of the Lender Senior Bond. It is hereby declared to be necessary to, and the Authority shall, issue and deliver to the Lenders, as authorized and provided in this Resolution, a Senior Bond of the Authority in the principal amount not exceeding \$15,000,000 equal to the outstanding principal amount, if any, of the Authority Stadium Bond held by the Lenders at the time of issuance of the permanent financing bonds for the Surprise Project, in exchange for that Authority Stadium Bond, if the permanent financing bonds for the multipurpose stadium facility are to be issued at a later time.

SECTION 4. Terms and Provisions Applicable to the Lender Senior Bond. The Lender Senior Bond shall be issued as a Senior Bond pursuant to the provisions of the Trust Indenture and shall be secured by and payable from the Senior Bond Trust Estate established pursuant to the provisions of the Trust Indenture. The revenue sources of the Authority comprising the Senior Bond Trust Estate are pledged and dedicated to secure the Lender Senior Bond and all other Senior Bonds issued pursuant to the Trust Indenture.

The Lender Senior Bond shall have such provisions as set forth in the forms of the Trust Indenture, the Lender Bond Supplemental Indenture and consistent with this Resolution as shall be approved by the officer or officers of the Authority signing and delivering the Trust Indenture

and the Lender Bond Supplemental Indenture, their signing and delivery thereof to constitute conclusive evidence of their approval and of this Board's approval of such additions, deletions or modifications.

SECTION 5. Tax Matters. Any Authorized Officer is authorized to (a) make or effect any election, selection, designation, choice, consent, approval or waiver on behalf of and in the name of the Authority with respect to the Lender Senior Bond as the Authority is permitted to make or give under the federal income tax laws, including, without limitation, any of the elections provided for in Section 148(f)(4)(C) of the Code or available under Section 148 of the Code, for the purpose of assuring, enhancing or protecting favorable tax treatment or status of the Lender Senior Bond or interest on the Lender Senior Bond or assisting compliance with requirements for that purpose, reducing the burden or expense of such compliance, reducing the rebate amount or payments of penalties, or making payments of special amounts in lieu of making computations to determine, or paying, excess earnings as rebate, or obviating those amounts or payments, as determined by that officer, which action shall be in writing and signed by that officer; (b) take any and all other actions, make or obtain calculations, make payments, and make or give reports, covenants and certifications of and on behalf of the Authority, as may be appropriate to assure the exclusion of interest from gross income and the intended tax status of the Lender Senior Bond; and (c) give one or more appropriate certificates, for inclusion in the transcript of proceedings for the Lender Senior Bond, setting forth the reasonable expectations of the Authority regarding the amount and use of all the proceeds of the Lender Senior Bond, the facts, circumstances and estimates on which they are based, and other facts and circumstances relevant to the tax treatment of the interest on and the tax status of the Lender Senior Bond.

SECTION 6. General Ratification and Approval. All actions of the officers, directors, and agents of the Authority which are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance of the Lender Senior Bond as contemplated by this Resolution and the documents referred to in this Resolution, whether previously or hereafter taken, shall be and are hereby ratified, confirmed and approved. The proper officers, directors and agents of the Authority are hereby authorized and directed to do all such acts and things and to sign, acknowledge and deliver all such documents on behalf of the Authority as may be deemed necessary or desirable to carry out the terms and intent of this Resolution and of any of the documents referred to in this Resolution.

Dated: September 28, 2001