

TOURISM AND SPORTS AUTHORITY
Resolution Authorizing Proposal to Amend
City of Surprise Intergovernmental Agreement

I. RECITALS

WHEREAS, pursuant to Arizona Revised Statutes (“A.R.S.”) Section 5-804 (the “Act”), the Board of Directors (the “Board”) of the Tourism and Sports Authority (the “Authority”) is empowered to enter into agreements necessary to carry out the purposes of the Authority; and

WHEREAS, pursuant to A.R.S. Section 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 approval by the Board; and

WHEREAS, the Authority has entered into that certain Intergovernmental Agreement, (the “Agreement”) dated May 21, 2001, by and between the City of Surprise (the “City”) and the Authority; and

WHEREAS, pursuant to Section 3.3(a) of the Agreement, the Authority was to provide \$26,000,000 (the “Contribution”) to the City on or prior to October 31, 2001 to partially fund construction of the City’s Cactus League spring training and stadium facility project (the “Project”); and

WHEREAS, due to on-going litigation between the Authority and John F. Long, the Authority was not and currently is not able to issue municipal bonds (the “Bonds”) to fund the Contribution and the Authority will not be able to issue the Bonds until resolution of this litigation; and

WHEREAS, also pursuant to Section 3.3(a) of the Agreement, the Authority is obligated to provide \$122,416.67 per month from the Authority’s Cactus League Promotion Account (the “CLPA”) to the City (the “Monthly Distribution”); and

WHEREAS, the City has determined that the Monthly Distribution alone, combined with the City’s contribution, is not sufficient to keep development of the Project on track and on budget; and

WHEREAS, pursuant to A.R.S. Section 5-835, the CLPA receives \$250,000 per month and currently has a balance of \$1,500,000; and

WHEREAS, the CEO recommends that, in order to kept the Project on track and on budget, the Board authorize that the CEO, on behalf of the Authority, offer the following proposal (the “Proposal”) to the City:

(i) The Authority will distribute to the City the \$1,500,000 million balance in the CLPA; and

(ii) Until the Bonds are issued, the Authority will distribute to the City the full \$250,000 deposited monthly into the CLPA; and

(iii) Once the Bonds are issued, the Authority will distribute the Contribution to the City less the amount previously distributed from the CLPA which difference will be used to refund the CLPA; and

WHEREAS, subject to: (i) acceptance of the Proposal by the City; and (ii) subject to the limitations set forth below, the CEO recommends that the Agreement be amended (the "Amendment") to reflect the terms and conditions of the Proposal.

II. AUTHORIZATION OF PROPOSAL AND SUBSEQUENT AMENDMENT

NOW, THEREFORE, BE IT RESOLVED, that the Board, on behalf of the Authority and pursuant to the Act, hereby authorizes the CEO to offer the Proposal to the City believing that the terms thereof are fair and in the best interests of the Authority; and

FURTHER RESOLVED, that, subject to: (i) acceptance of the Proposal by the City; (ii) compliance with all legal requirements; and (iii) obtaining all necessary consents or approvals, the CEO is authorized and directed to execute and deliver in the name and on behalf of the Authority, and to cause the Authority to perform its respective obligations under, the Amendment and to perform all other acts that may be necessary in connection therewith; 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 ratified and confirmed in all particulars as the acts of the Authority.

Dated: November 14, 2001