

TOURISM AND SPORTS AUTHORITY
Resolution for Approval of
Credit and Pledge Agreement

I. RECITALS

WHEREAS, the Tourism and Sports Authority (the "Authority") requires funds for: (i) operating expenses; (ii) to make payments to Hunt Construction Group, Inc. in connection with design and pre-construction phase expenses related to the development of a new multipurpose stadium facility in Maricopa County; and (iii) possible payments to the City of Surprise in connection with the City's development of a new Cactus League stadium; and

WHEREAS, the Authority desires to obtain the funding for the aforementioned purposes and enter into a Credit and Pledge Agreement (the "Agreement") (and other agreements, debt instruments and documents contemplated thereby) with Wells Fargo Bank, National Association and Bank One, Arizona, NA (collectively, the "Lenders"); and

WHEREAS, the Authority has negotiated the basic terms and conditions of the Agreement with the Lenders, which terms and conditions are memorialized in the term sheet (the "Term Sheet") attached hereto as Exhibit A; and

WHEREAS, the Authority, through its Board of Directors (the "Board"), desires to approve, authorize and direct certain actions to be taken relating to the Agreement and the transactions contemplated thereby.

II. APPROVAL OF AGREEMENT

NOW, THEREFORE, BE IT RESOLVED, that the Board, on behalf of the Authority, hereby: (i) approves the borrowing transaction with the Lenders on the terms set forth in the Term Sheet; and (ii) approves of the Agreement (and other agreements, debt instruments and documents contemplated thereby), believing that the terms thereof, as reflected in the Term Sheet, are fair and in the best interests of the Authority; and

FURTHER RESOLVED, that the Board specifically approves: (i) the obligations of the Authority under the Line of Credit Note; (ii) the issuance of Multipurpose Facility Revenue Bonds; and (iii) the issuance of Major League Baseball Spring Training Revenue Bonds; and

FURTHER RESOLVED, that the Multipurpose Facility Revenue Bonds shall be issued pursuant to and in accordance with the provisions of Title 5, Chapter 8, Article 3, Arizona Revised Statutes, and shall be secured by and payable from a first position pledge of and lien on all revenues and monies received by the Authority and deposited in any account or subaccount of the Authority to the extent necessary for payment of debt service on the Multipurpose Facility Revenue Bonds; and

FURTHER RESOLVED, that the Major League Baseball Spring Training Revenue Bonds shall be issued pursuant to and in accordance with the provisions of Arizona Revised

Statutes Section 5-837.C and Title 5, Chapter 8, Article 3, Arizona Revised Statutes, and shall be secured by and payable from a second position pledge of and lien on all revenues and monies received by the Authority and deposited in any account or subaccount of the Authority to the extent necessary for payment of debt service on the Major League Baseball Spring Training Revenue Bonds, subject and subordinate (a) to the pledge and lien securing the Multipurpose Facility Revenue Bonds and any bonds of the Authority subsequently issued on a pari passu basis and (b) except for monies already in the Cactus League Promotion Account, to the distribution of monies to the Tourism Fund pursuant to A.R.S. Section 5-835.B.2; and

FURTHER RESOLVED, that the Line of Credit Note shall be secured by a lien on funds held in the Operating Account of the Authority to the extent necessary for payment of debt service on the Line of Credit Note, subject and subordinate to the pledges and liens securing the Multipurpose Facility Revenue Bonds and any bonds of the Authority subsequently issued on a pari passu basis and the Major League Baseball Spring Training Revenue Bonds and any bonds of the Authority subsequently issued on a pari passu basis; and

FURTHER RESOLVED, that the rate or rates of interest, the date or dates on which interest is payable, the denominations, the date or dates and maturity, the manner of executing, the medium and place of payment and the terms of redemption of the Multipurpose Facility Revenue Bonds, the Major League Baseball Spring Training Revenue Bonds and the Line of Credit Note shall be as set forth in the Agreement as executed and delivered in the name of and on behalf of the Authority; and

FURTHER RESOLVED, that the Chairman of the Board, Mr. James Grogan, and the President and Chief Executive Officer of the Authority, Mr. Ted Ferris, and each of them acting alone (each an "Authorized Officer"), are 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 Agreement and such other agreements, debt instruments and documents as are contemplated thereby, with such changes therein and additions or deletions thereto as any Authorized Officer may approve or deem necessary, appropriate or advisable, the execution thereof by such officer to be conclusive evidence of the approval by him of such changes and additions, and to perform all other acts that may be necessary in connection therewith.

III. MISCELLANEOUS MATTERS

NOW, THEREFORE, BE IT RESOLVED, that all actions previously taken on behalf of the Authority by any officer or director of the Authority in connection with any of the foregoing matters are ratified and confirmed in all particulars as the acts of the Authority; and

FURTHER RESOLVED, that the Authorized Officers, and each of them acting alone, are authorized and directed, in the name and on behalf of the Authority, to take all actions that any of them considers necessary, appropriate or advisable to effectuate each of the foregoing resolutions and to carry out the purposes thereof or otherwise to effectuate any transactions contemplated by the Agreement, the taking of such action or the execution of any such agreement, debt instrument or document by such officer conclusively to evidence the due authorization thereof by the Authority; and

FURTHER RESOLVED, that 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 execute and deliver, or cause to be executed and delivered, all such further agreements and such further documents, certificates and undertakings, and to incur all such fees and expenses, as in their considered judgment shall be necessary, appropriate or advisable to carry into effect the purpose and intent of the foregoing resolutions.

Dated January 6, 2001.

EXHIBIT A

Term Sheet

Tourism and Sports Authority
Proposed Term Sheet

Borrower:

The Tourism and Sports Authority (TSA).

Bank:

Wells Fargo Bank. Wells Fargo shall be agent and a \$7.5 million participant in the proposed credit.

Loan Amount:

The Loan shall be in the amount of \$15.0 million and shall be available for the following purposes:

1. Capital Loan Purpose – any Multipurpose Facility Purpose or Bond Related Expense (as defined in Senate Bill 1220) or any costs which may be financed for major league baseball spring training facilities (“MLB Facilities Purpose”) under Senate Bill 1220 (“Capital Loan Purpose”).
2. Operating Loan Purpose -- operating expenses of the TSA (“Operating Loan Purpose”), provided that advances for Operating Loan Purposes will not exceed \$3.0 million in the aggregate outstanding at any one time.

Collateral:

Amounts advanced for Capital Loan Purposes shall be secured by a first priority irrevocable lien on the revenues received by the TSA pursuant to Senate Bill 1220; provided that the lien securing any amounts advanced for Capital Loan Purposes related to a MLB Facilities Purpose shall be subordinate as provided in Senate Bill 1220. The lien for any amounts advanced for Capital Loan Purposes shall be released at such time as bonds to fund, in whole or in part, the construction of the Multipurpose Facility (as defined in Senate Bill 1220) are issued, provided that the Capital Loan shall be fully retired by the bond funds or any other funds.

Amounts advanced for Operating Loan Purposes shall be secured by a lien on the funds held in the TSA’s Operating Account held by the Bank, which lien will be subordinate to the lien on revenues pledged or to be pledged to secure revenue bonds of the TSA.

Rate:

Capital Loan and Operating Loan:

At Borrower’s Option:

1. The Prime Rate of Bank, fully floating, or
2. LIBOR plus 1.5%. LIBOR Interest Periods of one, two or three months would be available at the Borrower’s option, subject to break-funding charges.

Interest on both options shall be payable monthly.

If it is determined that the TSA qualifies for tax exempt financing, the above rate options shall be adjusted as follows:

1. The Prime Rate of Bank, fully floating, multiplied by a factor of .6401, plus 1.64%.
2. LIBOR, multiplied by a factor of .6401, plus 1.997%, for one to three month interest periods, subject to break-funding charges.

Interest on both options shall be payable monthly.

Fee:

A fee equal to 12.5 bps. shall be payable on the committed amount at closing. Additionally, a fee equal to 12.5 bps. shall be payable on the committed amount that exists on June 1, 2001.

Repayment:

Capital Loan

The Capital Loan shall be paid in full upon the issuance of bonds for the construction of the Multipurpose Stadium. No advances under the Capital Loan shall be made subsequent to August 1, 2001. If the Capital Loan is not paid in full by August 1, 2001, amounts outstanding under the Capital Loan shall be reduced to \$10.0 million by December 31, 2001 and to \$5.0 million by June 30, 2002. The Capital Loan shall be fully retired by 12-31-2002.

Operating Loan

Amounts outstanding on the Operating Loan shall be reduced to \$1.5 million on September 30, 2001. The Operating Loan shall be fully retired by December 31, 2001.

Special Requirements:

1. Advances under the Loan shall be limited to \$5.0 million until the school facilities board, in conjunction with the governor's office of strategic planning and budgeting, and after review by the joint legislative budget committee, certifies that sufficient monies are dedicated to the deficiencies corrections fund to make the school improvements required pursuant to Section 15-2021, Arizona Revised Statutes. The TSA can utilize the \$5.0 million for either a Capital Loan Purpose or an Operating Loan Purpose but must designate any advance as such. If the required certification is not received prior to February 28, 2001, no further advances on the Loan shall be allowed and amounts outstanding under the Loan shall be reduced to \$3.5 million by 12-31-2001, \$1.5 million by June 30, 2002, and to zero by December 31, 2002.
2. Borrower shall provide a favorable opinion of counsel for the TSA addressed to the Bank, in form and content satisfactory to Bank, as to among other things that:
 - i. The TSA has the requisite authority to enter into and to carry out the terms and conditions applicable to it under the credit documents and the security documents;
 - ii. The credit documents and the security documents are a legal, valid and binding obligation of the TSA, enforceable in accordance with their terms;
 - iii. The security documents create a valid security interest in the collateral described therein and all actions necessary to perfect the security interest have been taken;
 - iv. To the extent Bank provides a tax-exempt rate, the interest on the Loans/Bonds is exempt from federal income tax.

Documentation:

Bank counsel at the expense of Borrower not to exceed \$20,000, shall document the Loan. With the acceptance of this Term Sheet as evidenced below, Borrower agrees to reimburse Bank for all legal expenses subject to the above maximum irrespective of whether the Loan closes.

This Term Sheet is intended to provide a general understanding of the terms and conditions under which Wells Fargo Bank will provide the credit facilities described herein to the Tourism and Sports Authority. It is not a commitment letter nor is intended to be a comprehensive listing of all the terms and conditions associated with the proposed Loan. Nothing herein shall limit the ability of Wells Fargo Bank to make changes to the terms and conditions described above or to withdraw this financing proposal. This document is intended to be a Term Sheet for discussion purposes only.