

ARIZONA SPORTS AND TOURISM AUTHORITY

OWNER AND OPERATOR OF UNIVERSITY OF PHOENIX STADIUM, GLENDALE, ARIZONA

CONCESSIONS – REQUEST FOR PROPOSAL

The Tourism and Sports Authority (d/b/a the Arizona Sports and Tourism Authority), a corporate and political body having all the rights, powers and immunities of a municipal corporation (the "Authority"), is issuing this Request for Proposal (the "RFP") to qualified food and beverage companies to manage and operate the general concessions, catering and premium (loft and club level) food and beverage sales at the University of Phoenix Stadium, Glendale, Arizona (the "Stadium"). The Stadium was designed to accommodate sporting and other events including the Arizona Cardinals football games, the Fiesta Bowl, the BCS National Championship Game, the Super Bowl, soccer and a variety of entertainment, cultural, civic, meeting, trade show and convention events and activities. The Stadium has been in operation for three years as of July 2009. During that period of time the Stadium has been host to nearly 400 events attended by an estimated 3.5 million patrons. The Authority is committed to keeping the Stadium one of the busiest in the world.

The term of the concessionaire contract under consideration for this RFP will begin on August 1, 2010.

The deadline for submitting a proposal is 5 p.m. (Arizona local time) on Friday, August 28, 2009. Three printed copies of the proposal (one unbound) on 8 ½ x 11 paper must be delivered to the Authority's offices at 1 Cardinals Drive, Glendale, Arizona 85305 by the deadline. Questions regarding the RFP must be addressed via email to rfp@az-sta.com – no telephonic or faxed inquiries will be accepted.. All questions and inquiries will be answered via email in addition to being posted at www.az-sta.com/rfp.htm.

Parties Interested in visiting the Stadium during the RFP process may arrange for a tour at one of the specified dates and times:

- ◆ Thursday, August 13 from 9 a.m. to Noon (changed from original date of 8/12)
- ◆ Thursday, August 13 from 1 p.m. to 4 p.m. (changed from original date of 8/12)
- ◆ Wednesday, August 19 from 9 a.m. to Noon
- ◆ Wednesday, August 19 from 1 p.m. To 4 p.m.

Please contact Kim Monroe, Executive Assistant, at 623.433.7500 or at kmonroe@az-sta.com to schedule a specific date and time. Please be prepared to provide Kim with the names and titles of all persons participating in the tour from your organization

Information about the Authority as well as its financial reports (audits, budgets, etc.) and various contractual agreements can be found at www.az-sta.com (the Archives section contains PDF'ed versions of all of our relevant information).

Information about the University of Phoenix Stadium can be found at www.universityofphoenixstadium.com.

RFP Objectives

The Authority is first and foremost looking to continue the excellence in food and beverage service that has been a trademark at the Stadium during its first three years of operation. Each proposal must provide evidence that this level of excellence will be maintained under a new concessions contract and its proposed financial structure.

Secondly, the Authority's two stadium tenants, the Arizona Cardinals and the Fiesta Bowl, participate in sharing the concessions revenues related to their specific events. The financial structure of each response to the RFP must ensure that each of the tenants continue to receive a same or similar percentage to that which is currently experienced under the existing concessions contract.

Lastly, the Authority, due to the economic recession and its direct impact on the Authority's tourism revenues, is requesting that the respondent provide sufficient financial flexibility within the structure of its proposal in order to assist the Authority with resolving its projected operating budget deficit. The Authority is open as to the length of the contract and various options that each respondent may propose which, in the end, would be considered mutually beneficial to both the Authority and the respondent. Due to the Authority's existing statutory and bond indenture requirements, any proposed repayment structure under a line of credit or loan will be in a subordinate position to all of the Authority's required funding distributions.

Questions about the Authority's financial structure may be addressed via email to rfp@az-sta.com. All questions and answers will be posted to www.az-sta.com/rfp.htm. Audit and budget information on the Authority are available at www.az-sta.com under the Archives section.

Proposal Guidelines

The basis for this RFP is the existing concessions contract which terminates on July 31, 2010. The Authority is simplifying the RFP process by requiring compliance with all of the same general terms and conditions of the existing concessions contract. A version of the existing concessions contract is being made available to you for informational purposes in preparing your response.

The major contractual terms and conditions to which we are asking all qualified concessionaires to respond are as follows:

1. Term. The Authority, due to its tax exempt revenue bonds, is limited, under a gross revenues concessions contract, to an initial term of two years with no limit on contract extensions as granted by the Authority. Also, as part of the limitations due to its tax exempt bonds; during the first twelve months of the initial term the Authority must be able to terminate the concessions contract without cause or penalty.

1.1. Any alternative to the gross revenues concession contract model will also be considered as long as it can be demonstrated that it complies with the IRS guidelines related to the Authority's tax exempt bonds

2. Financial Consideration. Based on the RFP objectives outlined above, please provide your best efforts in defining a financial structure that maintains its tenants level of revenue participation while assisting the Authority in meeting its near-term as well as long-term financial needs. You may provide the Authority with several financial options based on varying contract lengths and related terms and conditions.

3. Concession Improvements, Repair or Replacements. At this time there are no anticipated concession improvements, repairs or replacements. The existing real and personal property related to concessions will be made available to the chosen concessionaire starting August 1, 2010. Any improvements, repairs or replacements identified by the selected concessionaire will be the financial responsibility of the concessionaire. All improvements shall be the property of the Authority.

DEFINITIONS

- A. "Branded Products" shall refer to food or beverage products that have a recognized brand name or registered trade mark.
- B. "Branded Providers" shall refer to those providers of Branded Products that enter into promotional agreements from time to time with the TSA or any Licensee.
- C. "Catering Sales" shall refer to the provision of food and beverage services to specified locations other than the regularly designated or permanent points of sale within the Facility.
- D. "Concession Agreement" shall refer to that certain agreement or other contact to be entered into between the Owner and the Operator to provide for the food and beverage services that are the subject of this Request for Proposals.
- E. "Gross Revenue" shall refer to the total amount of money, gratuities, and service charges received by the Operator or any agent or employee of the Operator from all sales, cash or credit (whether collected or not), product rebates from vendors or suppliers, made as result of the service rights granted under the Concession Agreement by and among the Owner and the Operator, excluding sales taxes, collected by the Operator or in the event of

prepayment of sales taxes, excluding any amounts so prepaid by the Operator. Gratuities shall be excluded from Gross Revenue to the extent paid out to the Operator's service employees (excluding management and full-time, salaried employees). Any gratuities not paid out as defined above shall be included as Gross Revenue.

- F. "Licensee" shall refer to any person or entity that may, from time to time, enter into any agreement for the use of the Facility for a particular purpose. "Manager" shall refer to the General Manager of the Facility or his designated representative to be selected by the Authority.
- G. "Operator" shall refer to that party selected by the Owner to provide the services set forth herein.
- H. "Owner" shall refer to the Authority.
- I. "Primary User" shall refer to the Arizona Cardinals, a franchise organization of the National Football League.
- J. "Proposer" shall refer to any qualified person or entity submitting a proposal to provide the services as defined by, and in accordance with, the specifications contained herein.
- K. "Retail Sales" shall refer to sales of products other than food or beverages such as the sale of novelties, souvenirs, merchandise and programs.

PROPOSAL PROCESS

The Proposer shall attach to the proposal submitted a certified or cashier's check, made payable to the Owner, issued by a solvent bank or trust company or a proposal bond in an amount of \$10,000 as a guarantee that if the proposal is accepted, the Proposer will execute the Concession Agreement and performance bond within sixty (60) days after notice of the selection of the Operator. Certified checks shall have all necessary documentary revenue stamps attached if required by law. Surety on proposal bonds shall be a duly authorized surety company authorized to do business in the State of Arizona, and all such bonds shall be issued or countersigned by a local resident producing agent and satisfactory evidence of the authority of the person or persons executing such bond to execute the same, shall be submitted with the bond.

Should it be necessary for the Owner to retain the proposal security of the finalist Proposers for a period beyond ninety (90) days after the proposals are received, and said proposal security is in the form of checks, the checks of these Proposers will be returned if replaced by proposal bonds in an amount equal to the amount of the checks of such Proposers in such form and issued by a surety company acceptable to the Owner.

A Proposer may withdraw its proposal before the time fixed for the opening of proposals, without prejudice to itself, by communicating its purpose, in writing, to the Owner, and when its communication is received, the proposal will be handed to it or its

authorized agent unopened. No Proposer may withdraw its proposal within ninety (90) days after the day of opening proposals.

The Proposer whose proposal is accepted shall enter into the Concession Agreement for the performance of the work and furnish the required performance bond within sixty (60) days after written notice of selection of the Operator has been served on such Proposer personally, or after receipt of the written notice by registered mail, to such Proposer at the address given in its proposal.

If the successful Proposer refuses or neglects to execute the Concession Agreement or fails to furnish the required performance bond within sixty (60) days after receipt by it of the notice of selection of the Operator, the amount of its proposal security shall be forfeited and shall be retained by the Owner as liquidated damages, and not as a penalty, it being now agreed that said sum is a fair estimate of the amount of damages that the Owner will sustain in case said Proposer fails to enter into the Concession Agreement and furnish the required performance bond. If a proposal bond was furnished, the full amount of the bond shall become due and payable as liquidated damages, and not as a penalty, caused by such failure.

No pleas of mistake in the proposal or misunderstanding of the conditions of forfeiture shall be available to the Proposer for the recovery of the deposit or as a defense to any action based upon the neglect or refusal to execute the Concession Agreement.

Before submitting a proposal, each Proposer shall make all investigations and examinations necessary to ascertain anticipated conditions and requirements affecting operation of the proposed services. Failure to make such investigations and examinations shall not relieve the successful Proposer from the obligations to comply, in every detail, with all provisions and requirements of the contract documents nor shall it be a basis for any claim whatsoever for alteration in any terms of or payment required by the Concession Agreement.

Execution of proposal

If the Proposer is a corporation, a duly authorized officer of the corporation, with the designation of the signer's official capacity, shall sign in the name of and under the seal of the corporation the offering proposal. The proposal shall show the state in which the corporation is chartered, and if the state is other than Arizona, the proposal shall show that the corporation is authorized to do business in the State of Arizona.

If the Proposer is a partnership, a general partner shall sign the proposal in the name of the partnership or other person duly authorized to bind the partnership. The capacity and authority of the person signing shall be shown.

If the Proposer is an individual or sole proprietorship, the individual person, stating name or trade name, if any, shall sign the proposal.

In any case, the proposal shall show the present business address of the Proposer at which communications from the Owner and notices served are to be received.

Following receipt of written proposals, the Owner may thereafter select those proposals which, in the sole judgment of the Owner, qualify as finalists and request those Proposers to make oral presentations to the Owner prior to the final selection of the Operator.

The Owner reserves the right to withdraw this Request for Proposals at any time and for any reason, and to issue such clarifications, modifications, addenda and/or amendments, as they may deem appropriate. The Owner reserves the right to negotiate with one or more Proposers at any time and to request additional information, clarifications, modifications, addenda and /or amendments from one or more Proposers at any time. The Owner reserves the right to accept or reject any part of any proposal or to reject all proposals for any reason whatsoever. The Owner reserves the right to decide to operate the food and beverage concessions without the assistance of any Proposer. Neither the receipt of any proposal materials by the Owner nor the submission of any proposals to the Owner shall create any rights whatsoever against the Owner or obligate the Owner in any manner. The Owner will be liable in any way for any costs incurred by the Proposer in the preparation of a proposal in response to this request or for the presentation of a proposal and/or participation in any discussions or negotiations.

All information, suggestions, ideas, work product, drawings, designs, system ideas or plans and documents of the Proposer submitted in connection with the proposal, whether in written or electronic format or presented during a presentation, shall become the property of the Owner and the Owner shall not be obligated to return the same to the Proposer. The Owner may use any and all information, suggestions, ideas, work product, drawings, designs, system ideas or plans and documents in any manner it may, in its sole discretion, deem appropriate. Selection or rejection of any proposal shall not affect the Owner's right of use.

REQUIRED SUBMITTALS

This Request for Proposals seeks proposals based on the Owner providing the Operator with the Base Building Work and all Build-Out. Each Proposer shall submit, at a minimum, all of the following information.

List of other food services and food service facilities similar to the Facility that the Proposer serves or has served within the past five (5) years. Please provide detailed information, e.g., name, address and telephone number of the other facility, contact name, length of time served, nature of services provided and annual gross revenues for the past three (3) years as applicable. Provide detailed information on the success of different food or beverage products offered at other facilities.

Copies of recent letters of commendation from clients and licensees served by the Proposer at the facilities listed above.

Current audited financial statements, for the two (2) most recent fiscal years of the Proposer, including balance sheet and profit and loss statement, prepared and certified by an independent certified public accountant. The statement should also indicate the source and amount of financing required to fulfill the terms and conditions of the Concession Agreement.

The Proposers shall furnish a letter from a corporate officer and/or officer of a suitable financial institution attesting to the Proposer's ability to provide any additional capital investment proposed and working capital.

A list of corporate officers of the Proposer and their experience in the food service industry and a commitment to provide the Owner with personnel with food service operations experience in the design and planning process for the Facility.

A disclosure statement setting forth any and all contractual relationships, understandings, agreements or contracts, whether in writing or not, that exist between the Proposer and the Owner, the Arizona Cardinals, and the Fiesta Bowl or the City of Glendale, disclosing the sufficient information about the nature and scope of the contractual relationship, understanding, agreement or contract.

If the Proposer fails to provide the required submittals as hereinabove delineated it may result in the Proposer being declared nonresponsive and the subsequent rejection of its proposal.

EVALUATION OF PROPOSALS AND SELECTION OF OPERATOR

Determination of Qualifications of the Proposers

The Owner, in its sole discretion, may determine whether particular Proposers and/or their proposed management employees have the basic qualifications to conduct a food and beverage service operation for the Facility.

Following receipt of written proposals, the Owner may first eliminate those proposals that are deemed nonresponsive according to the terms of the Request for Proposals.

Evaluation of Qualified Proposals.

The Owner shall then evaluate each responsive proposal using criteria as the Owner may determine in their sole discretion, including requests for clarification or additional information, if required.

Rejection of Proposals

Proposals shall remain open for acceptance and be irrevocable for a period of ninety (90) calendar days from the date proposals are to be submitted. The Owner reserves the right to reject or accept any or all proposals in the Owner's sole discretion. The Owner may reject all proposals and decide to conduct their own food and beverage service operations at the Facility. The Owner and Primary User reserves the right to accept or reject in part or in whole any or all proposals submitted and may elect to enter into one or more separate agreements for the services with one or more Operator. Reasons for rejection of any proposals need not be indicated. After submission of a proposal, and before acceptance of any proposal by the Owner, the Owner may request,

and the Proposer shall furnish, such additional information related to the Proposer and its personnel as the Owner may reasonably request.

Without limiting the generality of the foregoing, the Owner reserves the right, in their sole discretion:

To reject proposals containing omissions or otherwise fail to comply with these specifications.

To reject any proposal not accompanied by the proper proposal bond or deposit.

To reject any or all proposals, to waive informalities in proposals, and to accept the proposal which the Owner deem to be most favorable.

To waive any irregularity in the proposal of any Proposer.

To reject any proposal containing any conditions and/or contingencies which, in the sole discretion of the Owner, make the proposal indefinite or incomplete.

To accept any proposal, in the sole discretion of the Owner, without any obligation to disclose any reason(s) for the acceptance or rejection of any proposal.

To retain the rights associated with any space to be developed as restaurants or bars within the Facility or at the Site.

D. Development of the Concession Agreement

1. The Owner reserves the right to negotiate further with one or more Proposers. The contents of this Request for Proposals and the successful Proposer's proposal shall be incorporated (in whole or in part) into the Concession Agreement, but may be modified by the provisions of the Concession Agreement, as the Owner deems necessary and appropriate. While this Request for Proposals includes many provisions required to be in the Concession Agreement, the Owner does not intend to imply that this Request for Proposals includes all necessary and expected provisions of the Concession Agreement. By submitting a proposal pursuant to this Request for Proposals, each Proposer agrees to include in the Concession Agreement any information provided either in response to this Request for Proposals or subsequently during the evaluation and selection process.
2. If the Proposer fails to sign and return the Concession Agreement and other required contract documents within thirty (30) days following receipt thereof, the Owner may annul the award and the Proposer shall forfeit the bond as provided in Section III.F. Upon annulment of the award, the Owner may select the Proposer whose proposal the Owner considers to be the next most advantageous for the Owner or to not make any subsequent award.

3. Each Proposer, by submitting a proposal, represents, warrants and acknowledges that it has read and understands all the terms and conditions of this Request for Proposals, including any amendment or modification thereof, and will abide by the terms and conditions thereof.

EXHIBIT B

MULTIPURPOSE STADIUM FOOD AND BEVERAGE SERVICES

PROPOSAL FORM

Your proposal must be accompanied the required proposal bond properly executed by the Proposer and a qualified surety, cashier's check or certified check on any national or state bank, payable to ARIZONA SPORTS AND TOURISM AUTHORITY, in the amount of Ten Thousand Dollars (\$10,000). This proposal form must also be accompanied by the following items:

1. List of other similar facilities/operations.
2. Copies of commendation letters.
3. Audited and certified financial statements.
4. Operations commencement statement.
5. Corporate officers background.
6. Operational plan.
7. A description of what the proposer can offer by way of other revenue sources from utilizing stadium and related assets.
8. A detailed list of exceptions to any provision of the RFP to be included in the Concession Agreement.
9. A disclosure statement of all contractual relationships, understandings, agreements or contracts, whether in writing or not, that exist between the Proposer and the Owner, the Arizona Cardinals, the Fiesta Bowl, or the City of Glendale, disclosing the sufficient information about the nature and scope of the contractual relationship, understanding, agreement or contract.

PROPOSAL

- A. Proposals shall be placed in a sealed envelope or box plainly marked to identify its contents. Sealed proposals shall be delivered or received no later than **5:00 P.M. on Friday, August 28, 2009** to:

Mr. Tom Sadler
President and CEO
Arizona Sports and Tourism Authority
1 Cardinals Drive
Glendale, Arizona 85305