

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (this "MOU") is entered into as of the 3rd day of September, 2002 by and between the Tourism and Sports Authority, existing pursuant to the provisions of A.R.S. §§ 5-801 *et seq.* (the "Act"), as a corporate and political body of the State of Arizona ("Authority"), and B&B Holdings, Inc., an Arizona corporation, d/b/a Arizona Cardinals ("Cardinals").

RECITALS

A. The Authority's Board has determined that it is in the public interest to establish a maximum budget for construction of the multipurpose facility, require the Cardinals to increase their contribution to construction of the facility and accept responsibility for cost overruns, and confirm a process for project design and construction management.

B. The total funding currently available for the multipurpose facility project is approximately \$331 million, which is comprised of an anticipated \$246 million from Authority bond proceeds, interest thereon and contracting tax recapture ("Authority Revenues") and an \$85 million contribution from the Arizona Cardinals. After extensive review by Hunt Construction Group ("Hunt"), the parties and their consultants, it has been determined that the project cost (as described in the Preliminary Budget Review prepared by Hunt and dated August 27, 2002) is approximately \$355.3 million.

C. The Cardinals are prepared to fund this gap of \$24.3 million as well as provide approximately \$23 million towards the cost of land, infrastructure, and parking at the Glendale site (which would bring the total Cardinals contribution to the project to over \$133 million). In addition, the Cardinals are prepared to accept responsibility for project cost overruns (i.e., projects costs expended in accordance with the design-build agreement above the GMP, as defined below, that are not the responsibility of the design-builder).

D. The Cardinals' willingness to assume the obligations described above is based on the parties' agreement about how the design and construction of the facility will be managed going forward, as set forth herein.

E. The Authority has designated certain board members and staff to participate in the design and construction of the facility (the "Construction Oversight Team").

AGREEMENT

1. The Authority and Cardinals agree on a "hard cap" for the project budget of \$355.3 million ("Hard Cap"). During the period between now and entering into a design-build agreement with a guaranteed maximum price ("GMP"), if the estimated budget goes above the Hard Cap, additional cost reductions will be made to bring the budget estimate within the Hard Cap. The Authority and Cardinals will not sign a design-build agreement with a GMP that exceeds the Hard Cap.

2. The project costs of \$355.3 million will be paid for with Authority Revenues of not less than \$246 million and the Cardinals contribution of up to \$109.3 million. The Authority will use its best efforts to maximize bond proceeds; and if the Authority can raise more than \$246 million, then it will pay for 75% of the costs between \$331 million and the Hard Cap with the Cardinals paying for the remainder of the difference. In the event the Authority is unable to raise \$246 million of Authority Revenues, the Cardinals, in consultation with the Authority, will endeavor to make scope reductions; in no event will the Cardinals have any obligation to fund such shortfall. In the event the magnitude of scope reductions described in the foregoing sentence cause the facility to be unacceptable to the Cardinals, the Cardinals will have no obligation to proceed with the project and the Cardinals Use Agreement will be terminated.

3. On or before September 30, 2002, the parties shall enter into an amendment of the Cardinals Use Agreement to: (i) provide for the termination right pursuant to Paragraph 2 of this MOU; and (ii) to conform the Cardinals Use Agreement with the provisions of the Development, Disposition and Intergovernmental Agreement entered into of even date herewith between the City of Glendale and the Authority.

4. If there are any project savings, the amounts between \$331 and the GMP will be split between the parties in accordance with their funding of that difference. Any additional savings will be split 75% to the Authority and 25% to the Cardinals.

5. The Authority will meet with Hunt, HOK and the parties' consultants to review and confirm the recommended scope and budget with a Hard Cap of \$355.3 million not later than September 6, 2002.

6. During this same period, if the Authority is able to identify other funding sources that do not have the impact of reducing the maximum bond proceeds, it may identify building features or components to be added to the project scope.

7. For the duration of the project, the parties will endeavor to identify additional cost savings in order to reduce the estimated project budget and the eventual GMP below the Hard Cap.

8. The parties will adopt a design & construction management model that is based generally on the one used by the Arizona Diamondbacks and the Maricopa County Stadium District in connection with Bank One Ballpark with the Cardinals assuming the role of the Diamondbacks/Project Coordinator and the Authority assuming the role of the Stadium District. This model will be used during the design process, pre-construction and construction phases of the project, with the Authority participating in each step by attending all meetings, approving plans and specifications at project milestones in order to insure that the facility is built in accordance with approved plans and specifications and that public money is spent only for authorized purposes by reviewing and approving all change orders (that have first been approved by the Cardinals) as well as monthly draw requests and disbursements. The Cardinals will appoint a team representative ("Team Representative") who will have authority to act on their

behalf throughout this process; the Authority will appoint a person with construction experience to act as its representative ("Authority Representative") with authority to act on its behalf to the extent permitted by law. The parties will enter into a subsequent agreement patterned after Bank One Ballpark's Facility Development Agreement to memorialize these understandings.

9. During the period between September 10 and November 27, the parties will undertake the task of preparing the documents that will serve as the basis for the GMP and that will be attached to the design-build agreement ("Pre-construction Design"). The Cardinals and Authority will directly retain the services of HOK during this period; in turn, HOK will contract directly with other project consultants who are needed to accomplish this task. We will also retain the services of Hunt on a pre-construction basis during this period. The Authority will be represented at all meetings and throughout this process by the Authority Representative. There will be a mid-point and final presentation to the Construction Oversight Team and President/CEO during this process.

10. The first task during Pre-construction Design will be for the Cardinals, in consultation with the Authority, to finalize the exact location and orientation of the field and a site plan for the entire site.

11. The Cardinals may fund Pre-construction Design costs prior to resolution of the lawsuit filed by John F. Long challenging the constitutionality of the Act establishing the Authority, and any such funding shall be applied to reduce the \$85 million contribution required of the Cardinals by the Cardinals Use Agreement.

12. The Cardinals will lead the negotiations with Hunt in connection with finalizing the design-build agreement. The Cardinals will be represented by the Team Representative, one attorney, and one technical consultant; the Authority will be represented by the Authority Representative, one attorney, and one technical consultant. The design-build agreement including all attachments must be in final form and executed by all parties prior to the start of mass excavation on or before December 1, 2002.

13. If at any time prior to the start of construction the Cardinals determine that attempting to meet an August 2005 completion date poses a risk of increasing the team's financial liability described in this MOU, then the Cardinals may delay the scheduled completion date by up to one year.

14. The Authority acknowledges that time is of the essence throughout the design and construction of the facility and agrees that it will provide input and any necessary decisions such as facility siting and orientation, program, budget, and plans in a timely manner so as to not delay in any way the achievement of project milestones and the timely completion of the facility.

15. Throughout the construction process the Construction Oversight Team will meet at the site for periodic briefing and will manage the change order review and approval process as required by law.

16. The Authority and the Cardinals hereby acknowledge and agree that they shall cooperate in good faith with each other and use commercially reasonable efforts to pursue the obligations imposed by this MOU.

17. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona. This Agreement has been made and entered into in Maricopa County, Arizona. Notice is hereby given that A.R.S. § 38-511 applies to this MOU.

18. No waiver by either party of any breach, default or any of the terms, covenants or conditions of this MOU shall be construed or held to be a waiver or custom of waiver of any same, similar, succeeding or preceding breach, default or term of this MOU, as the case may be. To be effective, all waivers shall be in writing and signed by the party to be charged.

19. In the event that any phrase, clause, sentence, paragraph, section, Article or other portion of this MOU shall become illegal, null or void or against public policy, for any reason, or shall be held by any court of competent jurisdiction to be illegal, null or void or against public policy, the remaining portions of this MOU shall not be affected thereby and shall remain in full force and effect to the fullest extent permitted by law.

20. This MOU constitutes the entire agreement between the parties pertaining to the subject matter of this MOU, and except as otherwise specified in this MOU, all prior and contemporaneous agreements, representations, negotiations and understandings of the parties, oral or written, are superseded by this MOU and merged into this MOU. No subsequent novation, renewal, addition, deletion, or other amendment to this MOU shall have any force or effect unless embodied in a written amendment or other agreement properly executed by the parties.

21. Time is of the essence of this MOU in each and all of its provisions.

22. Each party agrees in good faith to execute such further or additional documents as may be necessary or appropriate to fully carry out the intent and purpose of this MOU, including executing, acknowledging and recording such documents as may be necessary to evidence the termination of this MOU, including any necessary amendments to the Cardinals Use Agreement.

23. This Agreement may be executed in any number of counterparts, each of which will be an original but all of which will constitute one and the same instrument. Signature and acknowledgement pages may be detached from individual counterparts and attached to a single or multiple original(s) in order to form a single or multiple original(s) of this document.

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"AUTHORITY"

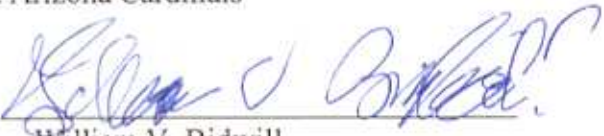
TOURISM AND SPORTS AUTHORITY,
an Arizona corporate and political body

By: 
Ted A. Ferris

Title: President, CEO and Executive Director

"CARDINALS"

B&B HOLDINGS, INC., an Arizona corporation,
d/b/a Arizona Cardinals

By: 
William V. Bidwill

Title: President

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