

TOURISM AND SPORTS AUTHORITY

**Minutes of a Meeting of the Board of Directors
September 3, 2002 – 2:00 p.m.
Fennemore Craig, P.C.
Conference Room E1
3003 North Central Avenue, Suite 2600
Phoenix, Arizona 85012**

Attendance

Members

Roc Arnett
John Benton
Jim Grogan
C.A. Howlett (Telephonically)
Valarie Miceli (Telephonically)
Herman Orcutt
William Peltier
Rod Williams

Staff

Ted Ferris, President and Chief Executive Officer
Kenny Harris, P.E., Vice President for Facilities
Charles Foley, Chief Financial Officer
Kim Monroe, Executive Assistant
Deb Wilson, Executive Assistant
Brad Parker, Public Information Officer

1. Introduction. A public meeting of the Board of Directors (the “Board”) of the Tourism and Sports Authority (the “Authority”) was held in conference room E1 at the offices of Fennemore Craig, P.C., 3003 North Central Avenue, Suite 2600, Phoenix, Arizona 85012, on Tuesday, September 3, 2002 at 2:00 p.m. A quorum being present, and the meeting having been duly noticed and called, Mr. Grogan, the Chairman, called the meeting to order.

2. Consideration of Memorandum of Understanding Regarding Multipurpose Facility Project Budget. The Chairman invited Messrs. Benton and Orcutt, two members of the Board's Construction Oversight Committee (the "Committee"), to address the Board regarding the proposed Memorandum of Understanding by and between the Authority and B & B Holdings, Inc. d/b/a the Arizona Cardinals (the "MOU") regarding allocation of construction costs and cost overrun risk for construction of the Authority's multipurpose facility project (the "Facility"). Mr. Benton stated that the members of the Committee and the Authority's

professional staff had worked extensively with the Facility general contractor, subcontractors and representatives of the Cardinals to determine a realistic construction budget and construction timeframe for of the Facility. Mr. Benton explained that, due to delays in the Facility development project to date, construction costs have increased above the previous \$331 million estimate to \$355.3 million. Additionally, Mr. Benton further explained that, despite increased construction costs, the Authority's ability to financially contribute to the project is relatively fixed. Thus, Mr. Benton stated, there is a gap between the estimated construction costs and ability to fund the project that the Cardinals, pursuant to the MOU, had agreed to cover. Mr. Benton also explained that the Cardinals had agreed to guarantee payment of any construction cost overruns. In exchange for providing this additional funding and guaranteeing payment of any cost overruns, the Cardinals and the Authority agreed to a hard Facility construction cost cap of \$355.3 million and that the Cardinals would serve as the project coordinator during Facility construction.

The Chairman thanked Messrs. Benton and Orcutt for their hard work and then asked Mr. Ferris, President and Chief Executive Officer of the Authority, to summarize the terms and conditions of the MOU. The substance of Mr. Ferris's presentation to the Board is described in that certain Memorandum from Mr. Ferris to the Board attached hereto as Exhibit A. Additionally, the MOU is attached hereto as Exhibit B.

Mr. Ferris then asked Ms. Sarah Strunk, Director of Fennemore Craig, P.C., the Authority's General Counsel, address the Board regarding the MOU. Ms. Strunk briefly described the provisions of the MOU that are principally legal in nature. Ms. Strunk additionally explained that the MOU contemplates three additional agreements between the Authority and the

Cardinals, a development agreement, design/build agreement and an amendment to the Cardinals' Use Agreement, all of which will be brought before the Board for its consideration.

The Chairman then asked for a motion to approve the MOU. Mr. Benton so moved and Mr. Orcutt seconded Mr. Benton's motion. Upon motion duly made and seconded, the Board voted unanimously to approve the MOU.

3. Announcements. The Chairman announced that the Authority's staff would contact Board members regarding the date and time for the next Board meeting.

4. Adjournment. There being no further business to come before the Board, upon motion duly made by Mr. Orcutt, seconded by Mr. Peltier and unanimously carried, the meeting adjourned.

EXHIBIT A

Memorandum from Mr. Ferris to Authority Board of Directors dated August 31, 2002

EXHIBIT B

Memorandum of Understanding