

TOURISM AND SPORTS AUTHORITY

Minutes of a Meeting of the Board of Directors

February 11, 2003 – 7:30 a.m.

34th Meeting

34th Meeting of the Board of Directors

Tourism and Sports Authority Boardroom

14500 N. Northsight Boulevard, Suite 312

Scottsdale, Arizona 85260

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

Brad Parker, Public Information Officer

Kim Monroe, Executive Assistant

Deb Wilson, Executive Assistant

1. Introduction. A public meeting of the Board of Directors (the "Board") of the Tourism and Sports Authority (the "Authority") was held in the Boardroom at the offices of the Authority, 14500 N. Northsight Boulevard, Suite 312, Scottsdale, Arizona 85260, on Tuesday, February 11, 2002, at 7:30 a.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 Minutes of December 12, 2002 Board Meeting. The Chairman asked for a motion to approve and ratify the minutes of a meeting of the Board held Thursday, December 12, 2002. Upon motion duly made by Mr. Peltier, seconded by Mr. Orcutt and unanimously carried, it was resolved that the minutes of the December 12th meeting be approved.

3. Consideration of Resolution Authorizing Modification of Prior Resolution Regarding Expected Equity Contribution for Multipurpose Facility. The Chairman asked Mr. Ferris, the Authority's President and Chief Executive Officer to discuss that certain Resolution

Authorizing Modification of Prior Resolution Regarding Expected Equity Contribution for Multipurpose Facility the draft of which was previously provided to the Board and attached hereto as Exhibit A. Mr. Ferris stated that the Resolution simply increases the amount the Authority expected to receive from the Arizona Cardinals for construction of the Multipurpose Facility from the previously approved amount of \$85 million to \$109.3 million. Mr. Ferris further stated that approval of this Resolution was required to preserve the tax-exempt status of the Authority's revenue bonds issued to fund construction of the Multipurpose Facility. Ms. Sarah Strunk, Director of Fennemore Craig, P.C., the Authority's General Counsel, stated that this Resolution simply modifies a previously approved Board Resolution. The Chairman then asked for a motion to approve the Resolution. Upon motion duly made by Mr. Orcutt, seconded by Mr. Williams, and unanimously carried, that certain Resolution Authorizing Modification of Prior Resolution Regarding Expected Equity Contribution for Multipurpose Facility was approved.

4. Consideration of Resolution Approving Amendment to Interim Design Agreement with Hunt Construction Group, Inc., and Form of Consulting Agreements with Hellmuth, Obata + Kassabaum, Inc., and Eisenman Architects. The Chairman then asked Mr. Ferris to address the Board regarding that certain Resolution Approving Amendment to Interim Design Agreement with Hunt Construction Group, Inc. ("Hunt"), and Form of Consulting Agreements with Hellmuth, Obata + Kassabaum, Inc. ("HOK"), and Eisenman Architects ("Eisenman") the draft of which was previously provided to the Board and attached hereto as Exhibit B. Mr. Ferris explained that these agreements would provide the Authority and the Cardinals with the design and pre-construction technical expertise of Hunt Construction Group, Inc. and the architects for the Multipurpose Facility project for the time period prior to the

execution of the design-build construction agreement between Hunt, the Authority and Cardinals. Mr. Ferris explained that, once the design-build construction agreement is in place, HOK and Eisenman would be sub-contactors to Hunt.

Mr. Ferris then asked Mr. Kenny Harris, P.E., Vice President for Facilities for the Authority, to address the Board regarding the agreements. Mr. Harris stated that the agreement with Hunt is an interim agreement intended to secure Hunt's services during the pre-construction and design phase of the Multipurpose Facility project. Mr. Harris explained that during this time, Hunt would be involved in defining the scope of the project and formulating a detailed construction budget. Mr. Harris also stated that, with respect to HOK and Eisenman, these agreements would provide for the necessary design work for the project until September 2003, the date when the design-build agreement with Hunt is to be completed.

The Chairman then asked for a motion to approve the resolution. Upon motion duly made by Mr. Orcutt, seconded by Mr. Benton, and unanimously carried, that certain Resolution Approving Amendment to Interim Agreement with Hunt and Form of Consulting Agreements with HOK and Eisenman was approved and either Mr. Grogan or Mr. Ferris were authorized to, for and in the name of the Authority, to execute and deliver and to cause the Authority to perform its respective obligations under those agreements with Hunt and HOK and Eisenman, with such changes therein and additions or deletions thereto as either of them deem necessary, appropriate or advisable to carry out the purposes and intent of these agreements, the signing and delivery thereof to be conclusive evidence of the approval of such changes and additions.

5. Consideration of Project Management Agreement. The Chairman then asked Mr. Benton, Chairman of the Authority's Construction Management Oversight Committee, to address the Board regarding that certain Project Management Agreement between the Authority

and the Arizona Cardinals (the "PMA"). Mr. Benton stated that the PMA represents the results of ongoing negotiations with the Cardinals regarding design and construction management for the Multipurpose Facility started with the September 3, 2003 Memorandum of Understanding between the Authority and the Cardinals (the "MOU"). Mr. Benton further stated that completion of the PMA was a significant milestone and signaled that the Authority and Cardinals were ready to begin construction of the Facility in earnest.

The Chairman then invited Ms. Strunk to address the Board regarding the PMA. Ms. Strunk stated that the Board had previously received a memorandum from the General Counsel summarizing the PMA and that she would only discuss selected provisions of the PMA and respond to any questions. Ms. Strunk reported that the PMA was called for in the September 3, 2003 MOU and, generally, describes, as between the Authority and the Cardinals, the project management responsibilities of the parties for the design and construction of the Multipurpose Facility. Ms. Strunk further stated that the PMA retains the \$355 million hard cap for construction costs established in the MOU. Ms. Strunk also reported that day-to-day construction oversight would be vested in the Cardinals, subject to continuous consultation by the Authority, in recognition of the additional construction costs and the financial risk for construction cost overruns the Cardinals have agreed to assume. Ms. Strunk then described the public interest criteria set forth in the PMA, changes to which require Board approval.

The Chairman then invited Mr. Harris to address the schedule for Facility construction. Mr. Harris stated that the next seven weeks would be consumed with developing schematic design documents for the Facility; Mr. Harris explained that the schematic design documentation is critically important in that the documents describe, in detail, all aspects of the Facility. Mr.

Harris then stated that mass excavation work would begin in June and that, currently, the Facility is scheduled to be completed during the summer of 2006.

Mr. Ferris then addressed the Board regarding the financing for Facility construction. Mr. Ferris stated that the Authority, per the MOU, had an obligation to maximize the proceeds from the issuance of bonds and that the Authority had done so with the recent successful offering of the Facility bonds. Mr. Ferris stated that the proceeds from the sale and interest income on those funds would allow the Authority to contribute \$252.3 million to the Facility construction costs. Mr. Ferris further explained that this would allow the Cardinals to reduce their contribution from \$24.3 million to \$18 million. Mr. Ferris also reminded the Board that the Cardinals remain responsible for all construction cost overruns.

The Chairman then asked for a motion to approve that certain Resolution Authorizing Project Management Agreement attached hereto as Exhibit C. Upon motion duly made by Mr. Orcutt, seconded by Mr. Peltier, and unanimously carried, that certain Resolution Authorizing Project Management Agreement was approved and either Mr. Grogan or Mr. Ferris were authorized to, for and in the name of the Authority, to execute and deliver and to cause the Authority to perform its respective obligations under the Project Management Agreement, with such changes therein and additions or deletions thereto as either of them deem necessary, appropriate or advisable to carry out the purposes and intent of the approval of the Project Management Agreement, the signing and delivery thereof by either of them to be conclusive evidence of the approval of such changes and additions.

6. Consideration of Resolution Authorizing Funding for Phoenix Municipal Stadium. The Chairman then invited Mr. Jerry Geiger of the City of Phoenix and Chairman of the Cactus League, to address the Board regarding the planned renovations to and improvement

of Phoenix Municipal Stadium, currently the spring training facility for the Oakland Athletics Major League Baseball franchise organization. Mr. Geiger, together with the project's architects, then delivered a presentation to the Board regarding the planned renovations and improvements. Mr. Geiger and the architects explained that, generally, renovations and improvements will be completed on the concourse areas, press box, concession areas, dugouts and facility maintenance areas.

The Chairman then asked for a motion to approve that certain Resolution Authorizing Funding for Phoenix Municipal Stadium attached hereto as Exhibit D and previously provided to the Board. Upon motion duly made by Mr. Benton, seconded by Mr. Arnett, and unanimously carried, that certain Resolution Authorizing Funding for Phoenix Municipal Stadium was approved. Mr. Geiger then thanked the Board for their funding of the Phoenix Municipal Stadium renovation project and, on behalf of the Cactus League, for all the Authority does to support the Cactus League.

7. Consideration of Ratification of Contracts; Patterson Sports Ventures; Hamilton, Gullett, Davis & Roman. The Chairman then asked Mr. Ferris to address the Board regarding consulting services agreements with Patterson Sports Ventures and the public relations firm of Hamilton, Gullett, Davis & Roman. Mr. Ferris reminded the Board that, any contracts executed by the President and Chief Executive Officer prior to Board approval are subject to ratification by the Board. With respect to the consulting services agreement for Mr. Patterson, Mr. Ferris stated that Mr. Patterson was retained following the departure of Mr. Kelly Leid, former Vice President of Operations for the Authority, who was responsible for the Authority's youth and amateur sports and recreation activities. Mr. Ferris stated Mr. Patterson's activities to date had been very successful; in particular, Mr. Ferris praised Mr. Patterson's work with the Authority's

Youth and Amateur Sports and Recreation Advisory Committee and organization of the Authority's Youth Sports Summit. With respect to Hamilton, Gullett, Davis & Roman, Mr. Ferris stated that the retention of the firm was shared with the Cardinals, the firm's duties included communicating with the public regarding the economic impact of the Authority's facility development activities and working with the Super Bowl Committee in attracting the National Football League Super Bowl to the new Multipurpose Facility. Mr. Ferris also stated that the contract would expire at the end of March 2003 and would not be renewed.

The Chairman then asked for a motion ratifying that certain consulting services agreement between the Authority and Patterson Sports Ventures a copy of which was previously provided to the Board and attached hereto as Exhibit E. Upon motion duly made by Mr. Arnett, seconded by Mr. Peltier, and unanimously carried, ratification of the execution, delivery and performance of that certain consulting services agreement between the Authority and Patterson Sports Ventures was approved.

The Chairman then asked for a motion ratifying that certain consulting services agreement between the Authority, B&B Holdings, Inc. d/b/a the Arizona Cardinals and Hamilton, Gullett, Davis & Roman a copy of which was previously provided to the Board and attached hereto as Exhibit F. Upon motion duly made by Mr. Benton, seconded by Mr. Williams, and unanimously carried, ratification of the execution, delivery and performance of that certain consulting services agreement between the Authority, B&B Holdings, Inc. d/b/a the Arizona Cardinals and Hamilton, Gullett, Davis and Roman was approved.

8. Youth and Amateur Sports Advisory Committee and Summit Update. The Chairman then invited Mr. Steve Patterson, Chief Executive Officer of Patterson Sports Ventures and the Authority's consultant for youth sports and recreational matters to address the Board

regarding the activities of the Authority's Youth and Amateur Sports Advisory Committee (the "Committee") and to give the Board an update regarding the Youth and Amateur Sports Summit meeting. Mr. Patterson stated that the Committee's main effort had been preparing and hosting the Summit meeting. Mr. Patterson reported that the Summit was held on Friday, February 7, 2003, at the Arizona Cardinals' training facility and attended by approximately 120 people representing schools, community-based non-profit groups and municipal parks and recreation departments. Mr. Patterson stated that the purpose of the Summit was to educate interested stakeholders in the Authority's youth and amateur sports and recreation program as well as the activities of the Committee. Mr. Patterson also stated that the Summit featured three expert guest speakers from around the country who described various programs being implemented in other communities and the best practices from those programs. Mr. Patterson noted that the Summit was very positively received by participants and that the Committee would be holding two or three community meetings around Maricopa County to further communicate information regarding the Authority's youth and amateur sports activities.

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

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

EXHIBIT A

**Resolution Authorizing Modification of Prior Resolution Regarding Expected Equity
Contribution for Multipurpose Facility**

EXHIBIT B

Resolution Approving Amendment to Interim Agreement with Hunt Construction Group, Inc., and Form of Consulting Agreements with Hellmuth, Obata + Kassabaum, Inc. and Eisenman Architects

EXHIBIT C

Resolution Authorizing Project Management Agreement

EXHIBIT D

Resolution Authorizing Funding for Phoenix Municipal Stadium

EXHIBIT E

**Consulting Services Agreement between Patterson Sports Ventures and Tourism and
Sports Authority**

EXHIBIT F

Consulting Services Agreement between Hamilton, Gullett, Davis & Roman, B&B Holdings, Inc. d/b/a the Arizona Cardinals and the Tourism and Sports Authority