TOURISM AND SPORTS AUTHORITY

Minutes of a Meeting of the Board of Directors
May 10, 2004 – 1:00 p.m.
51st Meeting of the Board of Directors
Tourism and Sports Authority Boardroom
14500 N. Northsight Boulevard, Suite 312
Scottsdale, Arizona 85260

Attendance:

Members	**Staff**
F. Rockne Arnett	Ted Ferris, President and Chief Executive Officer
John D. Benton	Charles Foley, Chief Financial Officer
Jim Grogan	Kim Monroe, Executive Assistant
Thomas L. Hocking	Kerri White, Youth Sports & Cactus League Grant Coordinator
C.A. Howlett (by telephone)	
William H. Peltier	
Rod C. Williams (by telephone)	

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 Monday, May 10, 2004 at 1:00 p.m. A quorum being present, and the meeting having been duly noticed and called, the meeting was called to order.

2. Consideration of Minutes from March 30, 2004. The Chairman asked for a motion to approve and ratify the minutes of a meeting of the Board held March 30, 2004. Upon motion duly made by Mr. Peltier and seconded by Mr. Grogan and unanimously carried, it was resolved that the minutes of the March 30, 2004 meeting be approved.

3. Multipurpose Facility Matters – Stadium Management and Marketing RFP.

3.1. Consideration of Resolution Approving Management and Pre-Opening Services Agreement. The Chairman stated that the Board would now consider the approval of

the Management and Pre-Opening Services Agreement with Global Spectrum (the "Agreement"). The Chairman requested Mr. Ferris to give a summary on the business highlights of the Agreement.

Mr. Ferris highlighted that the time period from the selection of Global Spectrum as the new manager of the Cardinals Stadium to completing the contract has only been six weeks. He stated that the agreement before the Board for approval compares favorably to other agreements for similar venues in Houston and Chicago. Mr. Ferris stated that the agreement requires Global Spectrum to use its best efforts to satisfy the standards of the Authority. In addition, Mr. Ferris emphasized that the Cardinals and Fiesta Bowl's standards will be negotiated and worked into the budget and that for the events held by the Cardinals their standard shall prevail and for events held by the Fiesta Bowl their standard will prevail. Mr. Ferris recalled for the Board that the Fiesta Bowl is required to pay for all game day costs for their events.

Mr. Ferris stated that Global Spectrum would not receive a management fee for the pre-opening services and would only be paid for its expenses in accordance with the budget that the Authority will approve. In addition, Mr. Ferris stated that the Agreement provides for a capital contribution by Global Spectrum to build out the entombed space which would be accomplished by the Authority and Global Spectrum jointly.

Mr. Ferris stated that the term of the Agreement would consist of approximately two years of pre-opening services, three years following the opening date of the Cardinals Stadium and (2) optional one-year extensions of the Agreement.

Mr. Ferris stated that the compensation structure had changed slightly from the Request for Proposals. Mr. Ferris stated that the fixed fee remained the same, however the incentive fee had been modified slightly. He stated that the incentive fee could be as much as the fixed fee

for each year and would be determined in two segments. Mr. Ferris stated that the first 50% of the incentive fee would be objective and be calculated as 5% of the Authority revenues. Mr. Ferris stated that the incentive fee could not ever exceed the fixed fee in any given year.

Mr. Williams asked Mr. Ferris whether the incentive fee was calculated based on gross revenues. Mr. Ferris answered that it was the gross revenues in the sense that it is all revenues from all events accruing to the Authority, and not the Cardinals, the Fiesta Bowl or any other promoter.

Mr. Ferris stated that the remaining 50% of the incentive fee would be subjective, and of that 50%, one-half would be determined in the Authority's sole discretion, 40% would be determined in the Cardinal's sole discretion, and 10% would be determined in the Fiesta Bowl's sole discretion. Mr. Ferris stated that the Authority's subjective criteria would include meeting attendance goals, proper facility maintenance, the results of customer surveys, and any other standards that the Authority determined in the future. Mr. Ferris stated that the Cardinals and the Fiesta Bowl would be required to evaluate Global Spectrum's performance by February 15 of each year of the Agreement. He indicated this would be positive because Global Spectrum would receive feedback during the year and learn about goals and concerns sooner rather than later.

Mr. Ferris stated that Global Spectrum would be required to put together an annual plan by March 1 of each year and that this plan would be approved by the Authority and would serve as the plan for the following year. In addition, Mr. Ferris that the budget would be adopted based on the annual plan.

The Chairman asked whether anyone had any questions based on Mr. Ferris' presentation. Mr. Hocking asked, what is the value of the free services provided by Global

Spectrum that will result in the design and construction report? Mr. Ferris responded that he believes that it is a substantial number. The Chairman responded that if the Authority were buying the services in the open market that it would be a five digit number.

Mr. Williams asked whether the Cardinals and the Fiesta Bowl had reviewed the Agreement. The Chairman responded that the Authority had close involvement and a good dialogue with the Cardinals and Fiesta Bowl and that they had been kept informed.

Mr. Williams asked specifically as to pages 6 and 7 of the draft of the Agreement for a clarification. He asked what revenues were included. Mr. Williams stated that his concerned was whether all revenues were included in the definition. Ms. Strunk answered that the all the revenue of the Authority are included. Ms. Strunk cited Section 13.5 of the Agreement, second sentence which refers to all revenues collected by the Authority including a catch all phrase of revenue from all other sources.

The Chairman requested Ms. Strunk to give a summary on the legal highlights of the Agreement. Ms. Strunk stated that she would not focus on the business highlights that Mr. Ferris had covered but would draw attention to other items in the Agreement. Ms. Strunk stated that Section 3.5 included the other agreements that the Authority is bound by, including the Development and Disposition and Intergovernmental Agreement with the City of Glendale, the Fiesta Bowl Use Agreement, the Cardinals Use Agreement, the Parking Agreement and the Concession Agreement. She stated that Global Spectrum is agreeing to be bound by these agreements and that they provide limits on the authority of Global Spectrum or responsibilities of Global Spectrum as the manager. Ms. Strunk stated that Global Spectrum agreed today to be bound by any amendments to these agreements as long as the Authority kept Global Spectrum

informed regarding such amendments and that no amendment materially altered Global Spectrum's rights under the draft Agreement.

Ms. Strunk stated that Sections 5.11 and 10 of the Agreement lists certain contracts that Global Spectrum is not allowed to enter without consent of the Authority. Ms. Strunk emphasized that the Agreement tries to provide a balance by allowing Global Spectrum to manage and control day-to-day items but to require approval by the Authority for certain important decisions. Ms. Strunk stated that the contracts that Global Spectrum may not enter into without prior approval are those contracts that are longer than the term of the Agreement, contracts with affiliates of Global Spectrum, contracts with professional or semi-professional sports teams and other contracts that relate to events that occupy the stadium for 15 days or more.

Ms. Strunk stated that Section 6 sets forth items where the Board has sole discretion, including the annual budget, annual plan, certain events that would expose the Authority to financial harm, selection of the on site general manager, and subcontracting of certain services in Section 10.2. She stated that for many subcontracts, such as janitorial or pest control services, the Authority will simply agree on a subcontract form and Global Spectrum will enter such contracts. Ms. Strunk stated that certain subcontracts require the prior approval of the Authority, such as those that extend beyond the term of the Agreement, escalator and elevator maintenance or repair services, security services during events, and maintenance and repair services related to the special functions of the Cardinals Stadium including the roll-out field and retractable roof.

Ms. Strunk stated that Global Spectrum must maintain insurance in accordance with the Agreement and that the costs of insurance were an operating expense so the Authority pays for it.

Ms. Strunk stated that the subcontractors will also be required to carry insurance policies and will indemnify against loses from the contracts.

Ms. Strunk stated that termination provisions are in Section 19 of the Agreement. She stated that the Agreement may be terminated by either party if the other becomes insolvent or files bankruptcy or if the party is in default and does not cure the default after 30 days. Ms. Strunk stated that there is also a termination provision if Global Spectrum does not meet the approved budget for two consecutive years following the first year of operation.

Ms. Strunk stated that the Authority has received a corporate guaranty of the performance and payment obligations of Global Spectrum from its parent corporation, Comcast Spectacor. She stated that Comcast Spectacor is the parent corporation that owns and operates the NHL Philadelphia Flyers and the NBA Philadelphia 76-ers.

Upon the conclusion of the presentations regarding the Agreement, the Chairman called for any further questions regarding the Agreement. After hearing none, the Chairman asked for a motion. Mr. Peltier stated that he moved to approve the resolution approving the Management and Pre-Opening Services Agreement, Mr. Orcutt seconded the motion and thereafter the Board unanimously approved Resolution No. 2004-50 approving the Management and Pre-Opening Services Agreement in substantially the form presented to the Board.

The Chairman then opened up the floor to the representatives of Global Spectrum to comment on the Agreement. Mr. Mitch Sauers, President and CEO of Global Spectrum, stated that everyone at Global Spectrum was delighted to be selected as the manager of the Cardinals Stadium. He stated that he would like to respond to the question from earlier regarding the value of the pre-opening services. Mr. Sauers stated that he believed it would be approximately $10,000-$30,000 in out-of-pocket expenses for Global Spectrum. He stated that the manpower

would be substantial because it required supervisory personal from their corporate office which would be approximately $75,000-$250,000 per year. Mr. Sauers stated that Global Spectrum believed it was worth the investment by Global Spectrum to ensure a successful operation of the Cardinals Stadium in the future.

Mr. Sauers stated that he wanted to also respond to the question regarding revenues that were included. He stated that Global Spectrum would not receive any revenue from rebates and that all money received by Global Spectrum for the Cardinals Stadium would stay with the Authority.

The Chairman then stated that he believed the Agreement would be signed by the end of the week. The Chairman also stated that this was a remarkable amount of work accomplished in a short period of time and that it shows there is already a strong relationship between the parties for the Agreement to have come together to quickly.

3.2 Consideration of Resolution Ratifying and Approving Agreement Regarding Payment of Certain Revenues. The Chairman then stated that the Board would consider the resolution ratifying and approving the agreement regarding payment of certain revenues. The Chairman requested that Ms. Strunk explain the resolution. Ms. Strunk stated that the resolution was to ratify an agreement that Mr. Ferris had already executed. Ms. Strunk stated that the agreement set forth the Authority's consent to the potential assignment by the Cardinals of certain revenues that the Cardinals were entitled to under the Use Agreement. The assignment was to be to an affiliate of the Cardinals. She stated that the agreement was represented to be part of a borrowing to be made by the Cardinals from the Bank of America and that transaction had been concluded and the cash was deposited in the Authority's construction trust account. Ms. Strunk stated that the agreement before the Board for ratification only

allowed the Cardinals to transfer revenue and did not amend or alter the Use Agreement in any other way.

Mr. Ferris stated that the contract was signed after consultation with the Chairman. He stated that it was signed in a short time frame because the Cardinals had a short period of time to close the transaction with Bank of America.

The Chairman asked for a motion to approve the resolution ratifying and approving the Agreement Regarding Payment of Certain Revenues. Upon motion duly made by Mr. Orcutt and seconded by Mr. Grogan and unanimously carried, it was resolved that Resolution No. 2004-51 ratifying and approving the agreement regarding payment of certain revenues was approved.

4. Business Matters. The Chairman then stated that the Board would consider a resolution approving the Authority's name change. The Chairman stated that at the Board retreat last fall the Board had discussed a name change to emphasize that the Authority is selling professional and amateur sports and tourism in the state of Arizona. The Chairman asked Mr. Ferris to explain the name change. Mr. Ferris stated that he and his staff had looked into many names and had reviewed them with the Board of Directors. Mr. Ferris stated the name change would be to simply flip the "Tourism" and "Sports" and to indicate the region the Authority is operating in by adding Arizona to the beginning of the name, so that the new mane is the "Arizona Sports and Tourism Authority" and the new acronym becomes the "AZSTA". Mr. Ferris asked Mr. Parker to explain the new website. Mr. Parker demonstrated the new website and the different categories that are now available that will highlight the different aspects of the Authority, such as the Cardinals Stadium, Tourism, Cactus League, and Youth and Amateur Sports. Mr. Ferris stated that to get to the new website you can type in either the old website address or the new address which is www.az-sta.com. Mr. Ferris indicated that they are

designing the stationary, notes and other items and he would pass those along to the Board once they are completed. Mr. Ferris thanked the Martz Agency for their work on the website and logo and the Board for their vision last fall on the name change.

The Chairperson asked for a motion to approve and ratify Authority Resolution 2004-52 approving the Authority's name change. Upon motion duly made by Mr. Orcutt and seconded by Mr. Grogan and unanimously carried, it was resolved that Resolution 2004-52 approving the Authority's adoption of a business name was approved.

5. Announcements. The Chairperson announced that the Construction Oversight Team would likely meet on May 26th or 27th at the Cardinals Stadium and invited the Board members to join in a tour of the Cardinals Stadium immediately afterward. The Chairperson thanked Mr. Orcutt for traveling to New York City to work with consultants on the design of the interior space of the Cardinals Stadium. The Chairperson stated the Mr. Orcutt had done a terrific job working with the consultants and the Cardinals.

Mr. Ferris then introduced Ms. Kerri White to the members of the Board and described her background. Mr. Ferris explained that Ms. White would be responsible for Cactus League and Youth and Amateur Sports activities at the Authority. Ms. White explained for the Board her prior experience and that she was delighted to be working with the Authority.

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

TOURISM AND SPORTS AUTHORITY
Resolution Approving Management and Pre-Opening Services Agreement

I. RECITALS

WHEREAS, pursuant to Arizona Revised Statutes Section 5-801 et seq. (the "Act"), the Tourism and Sports Authority (the "Authority") is authorized to construct, finance, furnish, maintain, improve, operate, market and promote the use of a multipurpose facility to be used to accommodate professional football franchises, major college football bowl sponsors, other sporting events and entertainment, cultural, civic, meeting, trade show or convention events or activities and may include a stadium (the "Facility"), on-site infrastructure, parking garages and lots and related commercial uses and do all things necessary or convenient to accomplish those purposes; and

WHEREAS, pursuant to the Act, the Board of Director of the Authority (the "Board") is empowered to enter into agreements necessary to carry out the purposes of the Authority; and

WHEREAS, pursuant to 5-807.B.11 of the Act, the Executive Director of the Authority is directed to negotiate a contract with a management firm to operate, promote and market the multipurpose facility and submit the contract to the Board; and

WHEREAS, the Board determined that it would award the stadium management contract through an open, competitive process to, in the view of the Board, a qualified and experienced, low-cost provider of such services, capable of operating the stadium consistent with standards of the NFL, the Arizona Cardinals and the Fiesta Bowl, while maximizing the number and quality of "non-football" events held at the new stadium; and

WHEREAS, the Authority issued a Stadium Management Request For Proposals (RFP) on September 5, 2003, which called for firms to provide a comprehensive set of services to include pre-opening services during the remainder of construction, and post-opening services to include general management and operations, maintenance, engineering and custodial services, security, marketing and booking services, and landscaping; and

WHEREAS, on October 17, 2003, the Authority received comprehensive responses from three nationally known and qualified firms, SMG, Global Spectrum, L.P. and AEG, each with considerable event and entertainment experience, and established a six-person evaluation team known as the Business Operations Oversight Team or "BOOT"; and

WHEREAS, on March 30, 2004, after due consideration of a number of presentations, requests for additional information and other factors, and upon the unanimous recommendation of BOOT, the Board unanimously approved the selection of Global Spectrum, L.P. subject to the Executive Director negotiating an acceptable contract with Global Spectrum, L.P.; and

WHEREAS, pursuant to the Act, the Executive Director of the Authority (the "Executive Director") is empowered to negotiate, make, execute, acknowledge and perform agreements

necessary to accomplish the purposes of the Authority, which agreements are subject to the approval or ratification of the Board; and

WHEREAS, the Authority and Global Spectrum, L.P have negotiated substantially all of the terms and conditions of a Management and Pre-Opening Services Agreement (the "Management Agreement"), pursuant to which Global Spectrum, L.P. will provide management services and pre-opening services for the Facility; and

WHEREAS, there are just a few remaining minor issues to be resolved between the Authority and Global Spectrum with respect to the Management Agreement disclosed to the Board (the "Open Issues"); and

WHEREAS, after due consideration of the recommendations of the Executive Director, the Board desires to approve the execution, delivery and performance of the Management Agreement in the form attached hereto as Exhibit A, subject to the resolution of the remaining minor issues as the Executive Director deems necessary, appropriate or advisable to carry out the purposes and intent of the resolutions set forth herein, as in the best interests of the Authority.

II. APPROVAL OF MANAGEMENT AGREEMENT

NOW, THEREFORE, BE IT RESOLVED, that the Board, on behalf of the Authority and pursuant to the Act, hereby approves the Management Agreement in substantially the form attached hereto as Exhibit A, subject to the resolution of the remaining minor issues as the Executive Director deems necessary, appropriate or advisable to carry out the purposes and intent of the resolutions set forth herein;

FURTHER RESOLVED, that, upon resolution of the remaining minor issues by the Executive Director, the Chairman of the Board of the Authority and the Executive Officer (each an "Authorized Officer") be, and they hereby are, authorized and directed to sign and deliver, in the name and on behalf of the Authority, the Management Agreement, and to cause the Authority to perform its respective obligations under the Management Agreement and all other related agreements or amendments contemplated thereby, with such changes therein and additions or deletions thereto as any Authorized Officer deems necessary, appropriate or advisable to carry out the purposes and intent of the resolutions set forth herein, the signing and delivery thereof by such Authorized Officer to be conclusive evidence of the approval of such changes, additions or deletions; and

FURTHER RESOLVED, that the Authorized Officers of the Authority are authorized and directed, in the name and on behalf of the Authority, to take all actions necessary, appropriate or advisable to effectuate the foregoing resolutions, including the incurrence of fees and expenses, as in their judgment shall be necessary, appropriate or advisable to carry into effect the purposes and intent of the resolutions set forth herein and the transactions contemplated by the resolutions set forth herein; and

III. MISCELLANEOUS MATTERS

FURTHER RESOLVED, that all actions previously taken on behalf of the Authority by any director or officer of the Authority in connection with any of the foregoing matters are hereby ratified and confirmed in all particulars as the acts of the Authority.

Dated: May 10, 2004

TOURISM AND SPORTS AUTHORITY
Resolution Ratifying and Approving Agreement Regarding Payment of Certain Revenues

I. RECITALS

WHEREAS, pursuant to Arizona Revised Statutes Section 5-801 et seq. (the "Act"), the Tourism and Sports Authority (the "Authority") is authorized to construct, finance, furnish, maintain, improve, operate, market and promote the use of a multipurpose facility to be used to accommodate professional football franchises, major college football bowl sponsors, other sporting events and entertainment, cultural, civic, meeting, trade show or convention events or activities and may include a stadium (the "Facility"), on-site infrastructure, parking garages and lots and related commercial uses and do all things necessary or convenient to accomplish those purposes; and

WHEREAS, pursuant to the Act, the Board of Director of the Authority (the "Board") is empowered to enter into agreements necessary to carry out the purposes of the Authority; and

WHEREAS, pursuant to the Act, the Executive Director of the Authority (the "Executive Director") is empowered to negotiate, make, execute, acknowledge and perform agreements necessary to accomplish the purposes of the Authority, which agreements are subject to the approval or ratification of the Board; and

WHEREAS, the Authority entered into that certain Maricopa County Multipurpose Facility Cardinals Use Agreement dated November 14, 2001, as amended January 16, 2002 (the "Use Agreement"), by and between the Authority and B&B Holdings, Inc., d/b/a the Arizona Cardinals (the "Team");

WHEREAS, the Team desires to cause certain payments to be received by it under the Use Agreement, if and to the extent such revenues are payable to the Team, to be paid directly to New Cardinals Stadium LLC, an affiliate of the Team (the "Team Affiliate"), in order for the Team Affiliate to borrow funds from Bank of America, N.A. ("BOA") secured by such revenues, which will be used to contribute to the constructions costs of the Facility pursuant to the terms of the Construction Trust Agreement dated as of August 12, 2003 (the "Construction Trust"); and

WHEREAS, pursuant to the terms of the Construction Trust, the Team has informed the Authority that on April 8, 2004, the Team has deposited into the proper account under the Construction Trust, cash drawn from a loan from BOA in an amount equal to the undrawn portion of the Team League-Wide Credit Facility (as defined in the Construction Trust); and

WHEREAS, after due consideration of the recommendations of the Executive Director, the Board desires to ratify and approve the execution, delivery and performance of that certain Agreement Regarding Payment of Certain Revenues, dated March 30, 2004 (the "Agreement") by and between the Authority and the Team, which provides that the Authority consents to the payment of such revenues directly to the Team Affiliate subject to the terms and conditions provided in the Agreement, as in the best interests of the Authority.

II. APPROVAL OF AGREEMENT

NOW, THEREFORE, BE IT RESOLVED, that the Board, on behalf of the Authority and pursuant to the Act, hereby approves and ratifies the execution, delivery and performance, in the name and on behalf of the Authority, of the Agreement, a copy of which is attached hereto as Exhibit A; and

III. MISCELLANEOUS MATTERS

FURTHER RESOLVED, that all actions previously taken on behalf of the Authority by any director or officer of the Authority in connection with any of the foregoing matters are hereby ratified and confirmed in all particulars as the acts of the Authority.

Dated: May 10, 2004

TOURISM AND SPORTS AUTHORITY
Resolution Approving Business Name

I. RECITALS

WHEREAS, pursuant to Arizona Revised Statutes Section 5-801 et seq. (the "Act"), the Tourism and Sports Authority (the "Authority") is authorized to construct, finance, furnish, maintain, improve, operate, market and promote the use of a multipurpose stadium facility and do all things necessary or convenient to accomplish those purposes; and

WHEREAS, the Authority desires to approve the adoption of the business name of "Arizona Sports & Tourism Authority" for the Authority, under which it shall hereafter transact business in order to market and promote the multipurpose stadium facility.

II. APPROVAL OF BUSINESS NAME

NOW, THEREFORE, BE IT RESOLVED, that the board of directors of the Authority (the "Board") hereby approves the adoption of the business name of "Arizona Sports & Tourism Authority" for the Authority;

FURTHER RESOLVED, that the Chairman of the Board and the Executive Director of the Authority (each an "Authorized Officer"), and each of them acting alone, be, and they hereby are, authorized and directed, in the name and on behalf of the Authority, to take all actions necessary, appropriate or advisable to effectuate the foregoing resolution, including the incurrence of fees and expenses and the filing of any certificates or other instruments with the Arizona Secretary of State or other governmental entity, as in their judgment shall be necessary, appropriate or advisable to carry into effect the purposes and intent of the foregoing resolution; and

III. MISCELLANEOUS MATTERS

FURTHER RESOLVED, that all actions previously taken on behalf of the Authority by any director or officer of the Authority in connection with any of the foregoing matters are hereby ratified and confirmed in all particulars as the acts of the Authority.

Dated: May 10, 2004