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Phoenix, Arizona 85007

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May 5, 1978

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Mr. R. W. McAuley
Arizona Veterans Memorial Coliseum
and Exposition Center
Post Office Box 6715
Phoenix, Arizona 85005

Re: Construction of Redemption Provisions of
Resolution No. 102, dated July 30, 1964
(\$7,150,000) Arizona State Fair Commission
Coliseum and Improvement Revenue Bonds);
Opinion Request of December 28, 1977 (78-86 (R77-406)

Dear Mr. McAuley:

We are writing to respond to your inquiry as to whether the redemption provisions of Article II, Section 3 of the subject resolution are mandatory.

The provisions of the resolution are contractual obligations of the Board to its bondholders. Redemption (or, alternatively purchase) of bonds at the times and in the amounts specified in the schedule contained in Article II, Section 3, is mandatory, to the extent funds are available in the special sinking fund created by the resolution. A plain reading of the resolution admits of no other conclusion:

Whenever there shall have been set aside in the Arizona State Fair Commission Coliseum and Improvement Revenue Bond Special Sinking Fund hereby created, money to call for redemption or to purchase any of the outstanding bonds, such money shall be used to redeem or to purchase bonds of this series in the amounts annually as set forth in the following schedule:

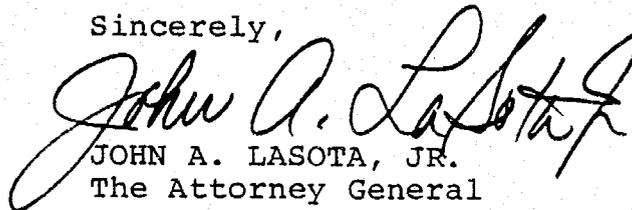
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The flow of money into the special sinking fund is mandatory, Article V, Section 6, although the amount of money flowing into the special sinking fund lies within the sound discretion of the Board, keeping in mind that the Board at all times must maintain a balance in the operating fund sufficient to perform its duties.

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In view of the clear language of the resolution mandating redemption or purchase, and in view of the potential exposure of the Board and its officers and employees if the terms of the resolution are violated, we strongly urge that the Board act to redeem or purchase bonds according to the schedule in Article II, Section 3.

Sincerely,



JOHN A. LASOTA, JR.
The Attorney General

JAL:FWS:hc