

**Minutes of Special Meeting
of the Board of Directors of
Rio Nuevo Multipurpose Facilities District**

Thursday, April 15, 2010

**Parkwise Conference Room
110 E. Pennington Street
Tucson, Arizona**

A special meeting of the Board of Directors of the Rio Nuevo Multipurpose Facilities District was held on Thursday, April 15, 2010 in the Parkwise Conference Room, 110 E. Pennington Street, Tucson, Arizona commencing at 8:45 am.

1. Call to Order

The meeting was called to order at 8:45 am.

2. Roll Call

The following Board members were present or participated by conference telephone.

| Appointee | | Present | Conference Telephone |
|--------------------------------|--------------|----------------|-----------------------------|
| Jeff DiGregorio (Acting Chair) | Tucson | x | |
| Jodi A. Bain, Member | Senate | x | |
| Dan Cavanagh, Member | Governor | x | |
| Scott Egan, Member | House | x | |
| Carlotta Flores, Member | Governor | x | |
| Mark Irvin, Member | House | x | |
| David N. Jones, Member | Governor | | x |
| Alberto Moore, Member | Governor | | x |
| Anne-Marie Russell, Member | Tucson | x | |
| Victor Soltero, Member | South Tucson | x | |
| Alan F. Willenbrock, Member | Governor | | x |

3. Consider (and, if appropriate, Approve) Engagement of District Counsel

Board Member Mark Irvin stated for the record that the Board met in Executive Session on Monday, April 12, 2010 to discuss the numerous employment issues, and interviewed attorneys to represent the District. Since then, Board Member Jodi Bain and Board Member Mark Irvin had received a number of emails, as Board liaisons, of recommendations of firms to interview. Board Member Jodi Bain and Board Member Mark Irvin interfaced with the potential law firms to discuss the needs of the District, whether the law firms could provide those services and/or had any conflicts. Those firms

who were interested and able to continue in the selection process after discussion were invited to present to the Board. The Board has various areas of legal matters that may not be typical for most groups, ie, issues on governance, project coordination, real estate, finance, employment, bond experience, government relations, and a multitude of similar needs.

The firms considered were:

Ballard Spahr, Bill Hicks who is the Board's current Attorney.

Mesch & Clark & Rothschild, Mel Cohen, Mark Simson, and Brenda Winey.

Gus Rosenfeld, Mark Collins, Scott Ruby, and Roger Frasier

Lewis and Roca, Keri Silvyn

Snell & Wilmer, Josh Grebel, Bill Porter, and Roxanne Belise

Gugino and Mortimer, Bill Gugino and Jeanne Mortimer

Board Member Mark Irvin indicated that it has been a very difficult decision before the Board. The firms that presented had many different skill sets, there were people with strong ties to the Phoenix area which would be helpful to the Board in future discussions with the Legislature on issues. The Board is concerned about real estate issues in Tucson. There are obviously some firms with strengths in real estate, and obviously our current Counsel Bill Hicks, and his abilities in the bonding area and his history with the District.

Mark Irvin made the motion as seconded by Alberto Moore, to retain General Counsel to the law firm of Lewis and Roca for the day-to-day operations, transactions, governance matters, etc. and also to retain the law firm of Gugino and Mortimer as special counsel to provide a status and synopsis of real estate that is owned, previously owned, or subject to future ownership and also to provide this board with the status of the performance of those various pieces of real estate. After a roll call the motion was approved 9-2, Board Member Scott Egan and Dan Cavanagh voted no for reasons of preference and not any ability to perform.

Interim Executive Director Mr. Miranda asked when the contracts will be in effect. Acting Chair Jeff DiGregorio indicated that they will become effective immediately. Board Member Dan Cavanagh asked which Procurement Code the Board is using. Board Member Jodi Bain indicated that General Counsel to the Department of Administration indicated that only in regards to general construction the board is bound by the Title 34 Procurement Code and because the newly constituted Board per the new enabling legislation are authorized to create and use their own rules, and the District is not bound to utilize a procurement method per the enabling legislation and this is something that will be addressed in the new IGA. Other than those construction matters subject to Title 34, as to everything else, the Board needs to develop and create administrative rules, as well as, understanding that the Board needs to have competitive offerings or bids which the Board did, and then bring a short list of no less than 2, but probably 3 or more is better, and then make a prudent business decision.

For the record, the Board followed the aforementioned procedures for the selection of the firms that were interviewed.

Board Member Jodi Bain amended the prior motion, seconded by Mark Irvin, that the Board is willing to engage with the firms for their particular purposes and that if the fee structures are as good or better than what we heard at the presentations on Monday that we go ahead and we move forward with reviewing the respective retainer agreements and signing them. However, with the strong caveat that language be included in each retainer that the firm(s) are engaged by the District and not individually and personally by the Board Members.

Board Member Alberto Moore asked if the board will be able to review the proposal before the final vote is taken to accept the contract with the Counsel. Board Member Jodi Bain indicated that a copy of the letter of engagement will be made available to the board for their review upon request.

Board Member David Moore asked who would be signing the letter of engagement. It was determined that the Chair Anne-Marie Russell or Acting Chair Jeff DiGregorio will sign the letter of engagement.

Board Member Dan Cavanagh asked Interim Executive Director Richard Miranda if he was comfortable with the procurement code the Board was using. Mr. Miranda indicated that the Board can decide which contracts they want to go through the City Procurement process.

After further discussion the motion was approved 11-0.

Acting Chair Jeff DiGregorio indicated that the next meeting has been moved from April 22, 2010 to April 21, because a representative from the State Auditor General will be coming to speak and April 21, 2010 is the only day available for the State Auditor General representative at this time and is on the Agenda starting at 2:00 pm.

4. Adjournment

On motion by Board Member Victor Soltero, seconded by Board Member Dan Cavanagh, the meeting was adjourned at 9:15 am.