

**Minutes for Special Meeting  
Of the Board of Directors of the  
Rio Nuevo Multipurpose Facilities District  
4:00 pm on Tuesday, October 18, 2011  
333 N Wilmot Rd. Suite 300  
Tucson, Arizona**

A special meeting of the Board of Directors of the Rio Nuevo Multipurpose Facilities District was held on Tuesday, October 18, 2011, at 333 N Wilmot Rd. Suite 300, Tucson, Arizona, commencing at 4:15 pm.

**1. Roll Call**

The meeting was called to order at 4:15 pm.

|                          | <b>Appointee</b> | <b>Present</b>   | <b>Absent/Excused</b> |
|--------------------------|------------------|--|-----------------------|
| Jodi A. Bain, Chair      | Senate           | X  |                       |
| Tim Bathen               | Governor         | X  |                       |
| Jannie Cox               | Governor         | X (telephonically)   |                       |
| Carlotta Flores,         | Governor         | X  |                       |
| Rick Grinnell,           | Senate           |  | X (excused)           |
| Jeff Hill, Treasurer     | Governor         | X  |                       |
| Mark Irvin, Vice Chair   | House            | X (telephone; left during executive session<br>at approx. 5:10 pm) |                       |
| Alberto Moore, Secretary | Governor         | X  |                       |
| Jonathan Paton           | House            | X  |                       |

**Executive Director:**

Larry Lewis Exec. Director X

**Counsel:**

Special Counsel Mark Collins X  
Special Counsel John Sundt X

**2. Announcements from the Chair**

Chair Bain thanked the board for their attendance at this special session to discuss important matters which had developed since late last week though today including regarding Wells Fargo, Notice of Claim, and other matters.

**3. Report of Council with possible direction/action from the District.**

**i. Notice of Claim(s), forensic audits, claims and legal action on funds, properties and projects.**

Special Counsel explained to the Board that many issues and facts were still pending final information and findings of the research, forensic audits and others regarding the assets, funds and properties of the District. Special Counsel Collins explained that in spite of these delays, appropriate action may be required now to avoid potentially losing the window of opportunity.

**ii. Wells Fargo.**

Special Counsel confirmed Wells Fargo notified Rusing & Lopez, Sean Brearecliffe, that it had retained outside counsel to represent it in the matter of the District accounts and account access matters.

**iii. Garfield Traub hotel matters.**

No report at this time.

**4. Executive Session.**

- Motion made to go into executive session at 4:25 pm by Alberto Moore; Seconded by Carlotta Flores. Passed unanimously 8-0 (Jannie Cox and Mark Irvin telephonically)
- A motion was made to resume the general session at 5:30 PM by Jonathan Paton and seconded by Alberto Moore. Passed (7-0) Jannie Cox via phone. Mark Irvin was no longer on the conference call)

Chair Bain asked that the record show that Mark Irvin dropped off the conference call as of approx 5:10 PM due to mobile phone failure as texted by Mark Irvin to her.

**3. (out of order) Report from Counsel with potential direction/action from the District:**

**i. Notice of Claim(s), forensic audits, claims and legal action on funds, properties and projects.**

→ Motion made by Jonathan Paton, for District Counsel to (i) proceed with appropriate recommended legal action in executive session necessary against the City of Tucson to protect and preserve the interests of the taxpayers and Rio Nuevo Multipurpose Facilities District and (ii) if possible, to work to resolve the issues with the City of Tucson over the next 100 or so day window prior to having to serve the suit by negotiation of a good faith mediation settlement with participation by eligible executive officers and bring back for Board approval; Seconded by Alberto Moore; Passed unanimously 7-0, Jannie Cox telephonically; Mark Irvin not present as he had left the meeting during executive session at approx. 5:10 pm.

**ii. Wells Fargo.**

→ Motion made by Jonathan Paton for the Executive Director to work with legal counsel to prepare a summary/position paper of the information and financial reports that have been requested from Wells Fargo Bank and any other sources that the District has not received as reviewed and accepted by a majority of the executive officers to then be issued and made public so the community knows what the District Board has been struggling with; Seconded by Carlotta Flores,. Passed (7-0) Jannie Cox telephonically; Mark Irvin not present as he had left the meeting during executive session at approx. 5:10 pm.

**4. Adjournment.**

- Motion made to adjourn the meeting by Alberto Moore at 5:35 pm; Seconded by Carlotta Flores. Passed unanimously 7-0. Jannie Cox mobile telephonically; Mark Irvin not present as he had left the meeting during executive session at approx. 5:10 pm.