

RESOLUTION NO. 2001- 001

AUTHORIZING THE ISSUANCE AND DIRECTING THE SALE OF NOT TO EXCEED \$32,000,000 PRINCIPAL AMOUNT OF ITS LEASE REVENUE BONDS, SERIES 2001 AND THE APPLICATION OF THE PROCEEDS THEREOF TO ACQUIRE THE TUCSON CONVENTION CENTER; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE, AMENDMENTS TO A LEASE AGREEMENT WITH THE CITY OF TUCSON, A BOND PURCHASE AGREEMENT AND A CONTINUING DISCLOSURE UNDERTAKING; AND AUTHORIZING ADDITIONAL ACTIONS AND AGREEMENTS NECESSARY TO CONSUMMATE THE CONTEMPLATED FINANCING AND ACQUISITION TRANSACTIONS

WHEREAS, the Rio Nuevo Multipurpose Facilities District (the "District") was organized on July 19, 1999 by the Cities of Tucson and South Tucson and the Town of Sahuarita, Arizona (collectively, the "Organizing Jurisdictions"), as a tax levying public improvement district and a political taxing subdivision of the State of Arizona, for the purpose of acquiring, constructing and developing multipurpose facilities located in the District, which encompasses a parcel of real property located in the City of Tucson, Arizona; and

WHEREAS, as provided in Section 48-4201 of the Arizona Revised Statutes, a multipurpose facility means any facility or facilities that includes a primary component located on the multipurpose facility site (described in the publicity pamphlet for the election held in the Organizing Jurisdictions on November 2, 1999) owned or leased by the District and used to accommodate sporting events and entertainment, cultural, civic, meeting, trade show or convention events or activities; and

WHEREAS, the Tucson Convention Center (the "TCC") constitutes a multipurpose facility within the meaning of the Arizona Revised Statutes, inasmuch as it has in the past been used as the site for home games of the Tucson Gila Monsters minor league hockey team and negotiations are pending to use the TCC as the site for home games for a minor league basketball team, and has otherwise been the site of various entertainment, cultural, civic, meeting, trade show and convention events and activities; and

WHEREAS, Business Development Finance Corporation, an Arizona nonprofit corporation ("BDFC"), currently owns the TCC and leases the TCC to the City of Tucson, Arizona (the "City"); and

WHEREAS, the District desires to acquire the TCC from BDFC, and BDFC is willing to sell the TCC to the District, subject to the lease to the City, for an amount sufficient to prepay and redeem the outstanding bonds issued by BDFC to acquire and improve the TCC; and

WHEREAS, for the purpose of financing the acquisition of the TCC, the District desires to authorize, issue and sell its lease revenues bonds in an aggregate original principal amount not to exceed \$32,000,000 for the purposes of acquiring the TCC, establishing any necessary reserve funds, purchasing bond insurance and paying the costs of issuing the bonds, such bonds to be payable solely from and secured solely by lease revenues to be paid by the City pursuant to its continuing lease of the TCC; and

WHEREAS, subsequent to its acquisition of the TCC, the District intends to make certain improvements, renovations and modifications to the TCC to enhance its ability to function as a multipurpose facility,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT as follows:

Section 1. Authorization and Terms. There is hereby authorized to be issued a series of revenue bonds of the District entitled "Lease Revenue Bonds (Tucson Convention Center Project), Series 2001" (the "Bonds") in an original principal amount not exceeding \$32,000,000 for the purposes of purchasing the TCC from BDFC, funding reserve funds, if any, required by the Purchaser (as hereinafter defined), purchasing bond insurance, if such insurance would result in a net interest savings with respect to the sale of the Bonds (as required by Treas. Reg. Section 1.148-4(t)(2)» and paying the costs of issuance. The Bonds shall be issued in fully-registered form, initially in book-entry-only form, shall be dated and numbered, shall be in the denominations of \$5,000 or integral multiples thereof, shall mature in such amounts and on such dates (not later than July 1, 2012), shall bear interest at such rate or rates (not exceeding nine percent (9%) per annum) and shall be subject to redemption under such conditions, in such amounts and on such dates as may be specified in the agreement with the Purchaser providing for the sale of the Bonds.

Section 2. Approval and Execution of Documents. The Treasurer of the District is hereby authorized and empowered to negotiate with Salomon Smith Barney (the "Purchaser") for the sale and purchase of the Bonds on such terms and conditions as she may determine to be necessary and appropriate in the best interests of the District under prevailing bond market conditions and to execute and deliver on behalf of the District an agreement (the "Bond Purchase Agreement") in customary form setting forth such terms and conditions, the execution and delivery thereof to evidence conclusively the Treasurer's determination concerning the necessity therefor and the appropriateness thereof. In addition, the Chairman, the Secretary and the Treasurer (each an "Authorized Officer") of the District is each authorized and empowered for and on behalf of the District to take such actions and execute and deliver such instruments and agreements, including (a) a trust indenture in customary form setting forth the terms and conditions for the issuance and payment of, and the security for, the Bonds, (b) an amendment to the Amended and Restated Lease Agreement, dated as of June 1, 1992, between BDFC and the City setting forth any necessary conforming amendments, including a revised lease payment schedule consistent with the District's debt service obligations with respect to the Bonds and (c) a continuing disclosure undertaking in customary form in order to assist the Purchaser. in

complying with its obligations pursuant to Securities and Exchange Commission Rule 15c2-12 (the "Rule").

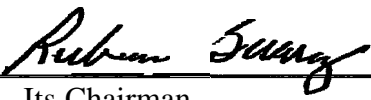
Section 3. Disclosure Documents. The District hereby approves the preparation and distribution of a preliminary official statement (the "Preliminary Official Statement") setting forth the terms and conditions for the issuance, sale and payment of, and security for, the Bonds and authorizes (a) each Authorized Officer to deem such Preliminary Official Statement final for the purposes of the Rule, (b) the preparation and delivery to the Purchaser of a definitive Official Statement in substantially the form of the Preliminary Official Statement with such additions thereto, omissions therefrom and other modifications thereto as may be necessary and appropriate to conform such Official Statement to the terms of the Bond Purchase Agreement executed and delivered pursuant to Section 2 hereof and (c) the use and distribution of such definitive Official Statement by the Purchaser in connection with the distribution and sale of the Bonds.

Section 4. Authorization to Purchase Bond Insurance. The Treasurer of the District is hereby authorized and empowered to negotiate for and, provided the conditions set forth in Treas. Reg. Section 1.148-4(f) are satisfied, purchase bond insurance with respect to the Bonds and to executed and deliver any agreements or instruments for such purpose.

Section 5. Miscellaneous. Each Authorized Officer and any other agent or employee of the District is hereby authorized and empowered to take such other actions and execute and deliver such other instruments and agreements, including an appropriate tax certificate and other closing certificates, that may be necessary or appropriate for the purposes of consummating the transactions contemplated herein, the necessity therefor and the appropriateness thereof to be evidenced conclusively by such officer's taking any such action or executing and delivering any such instrument, agreement or certificate and all actions taken heretofore and hereafter pursuant to the authority hereof are hereby authorized, ratified and approved for and as the actions of the District.

PASSED, ADOPTED AND APPROVED this 12th day of September, 2001.

RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT

By: 
Its Chairman

ATTEST:


Its Secretary

APPROVED AS TO FORM:

Kevin A. Hicks III
District Counsel (

ACCEPTANCE

Wells Fargo Bank Arizona, N.A., in Phoenix, Arizona, having been appointed as Trustee, Bond Registrar and Paying Agent by and pursuant to the foregoing Resolution, hereby accepts the duties and obligations imposed upon it in such capacities.

WELLS FARGO BANK ARIZONA, N.A.

By: _____
Its: _____