



**NOTICE OF EXPENDITURES OF \$500,000 OR MORE OF TIF REVENUE
PURSUANT TO A.R.S. §48-4204
(AC MARRIOTT/200 CONGRESS)**

Pursuant to a Sale Agreement and Escrow Instructions dated September 12, 2014, as amended by the First Amendment to Sale Agreement and Escrow Instructions dated August 25, 2015 (collectively, the “Purchase Contract”) the District agreed to purchase the parking garage component of the AC Marriott Hotel in downtown Tucson from 5 North 5th Hotel, LLC (“Developer”) for \$4.3 M (“Purchase Price”) and lease it back to the Developer upon the issuance of a certificate of occupancy (“CofO”). The CofO is now projected to be issued in late July or early August of this year. The Developer and the District have been in discussions to and intend to modify the Purchase Contract to relieve the District from the obligation to pay the Purchase Price at CofO in exchange for which the District will pay that amount over time together with up to an additional \$3.45M (“Rebate Cap”) to defray the Developers’ costs of renovating and improving the adjacent “200 Block” of Congress. The funds for the Rebate Cap shall come only from the incremental increase of site specific sales tax revenue.

This anticipated expenditure exceeds the \$500,000 threshold set forth in A.R.S. §48-4204.

If you have any questions or concerns, please contact your appointee or the Chairman of the Board.

[SIGNATURES ON SEPARATE PAGE]

STATEMENTS OF BOARD MEMBERS' FINANCIAL INTERESTS IN SUBJECT
OF PROPOSED EXPENDITURE

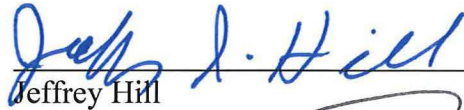
Board Members Having No Financial Interest:



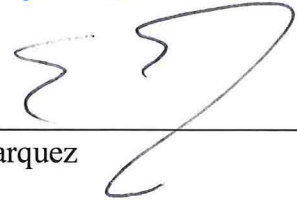
Fletcher McCusker – Chairman



Mark Irvin, Secretary



Jeffrey Hill



Edmund Marquez

Jannie Cox

Board Members Having Financial Interest:

Based upon Board counsel's opinion that Board member Christopher Sheafe has a disqualifying conflict of interest, he did not participate in the foregoing matter in any fashion. A.R.S. §38-501, *et seq.*

Christopher Sheafe – Treasurer

STATEMENTS OF BOARD MEMBERS' FINANCIAL INTERESTS IN SUBJECT
OF PROPOSED EXPENDITURE

Board Members Having No Financial Interest:

Fletcher McCusker - Chairman



Jannie Cox

Mark Irvin, Secretary

Jeffrey Hill

Edmund Marquez

Board Members Having Financial Interest:

Based upon Board counsel's opinion that Board member Christopher Sheafe has a disqualifying conflict of interest, he did not participate in the foregoing matter in any fashion. A.R.S. §38-501, *et seq.*

Christopher Sheafe -- Treasurer

**STATEMENTS OF BOARD MEMBERS' FINANCIAL INTERESTS IN SUBJECT
OF PROPOSED EXPENDITURE**

Board Members Having No Financial Interest:

Fletcher McCusker – Chairman

Mark Irvin, Secretary

Jannie Cox

Jeffrey Hill

Edmund Marquez

Board Members Having Financial Interest:

Based upon Board counsel's opinion that Board member Christopher Sheafe has a disqualifying conflict of interest, he did not participate in the foregoing matter in any fashion. A.R.S. §38-501, *et seq.*



Christopher Sheafe – Treasurer