

**AMENDED AND RESTATED
ADMINISTRATIVE RULES
OF THE
RIO NUEVO MULTI-PURPOSE FACILITIES DISTRICT**

RESTATED AND AMENDED ADMINISTRATIVE RULES OF THE RIO NUEVO MULTI-PURPOSE FACILITIES DISTRICT ("ADMINISTRATIVE RULES") ARE ENTERED INTO THIS 23 DAY OF MAY 2012 ("EFFECTIVE DATE") AND HEREBY REPLACE AND SUPERSEDE ANY AND ALL PRIOR ADMINISTRATIVE RULES OR SUCH ADMINISTRATIVE POLICIES.

ARTICLE 1

Name, Operation and Office

1.1 District Operation. These Administrative Rules (hereinafter collectively referred to as the "Rules") are adopted pursuant to the provisions of A.R.S. §48-4203(A)(4) and (5) and shall govern the administration and operation of the Rio Nuevo Multipurpose Facilities District, a tax-levying public improvement district and a political taxing subdivision of the State (the "District"), which has been organized pursuant to A.R.S. § 48-4201 *et seq.* (the "MFD Laws").

1.2 Office. The principal office of the District for **mailing purposes** shall be Rio Nuevo District, 400 West Congress, Suite 152, Tucson, AZ 85701 and for **notice purposes** shall be: Mark Collins, C/O Gust Rosenfeld, Suite 1900, One South Church, Tucson, AZ 85701, (520) 628-7070, www.rionuevo-tucson.org which may be changed and/or updated in writing as revision to this section from time to time as signed by the Chairperson or a majority of the sitting and eligible members of officers of the Executive Officers then seated and eligible to vote.

ARTICLE 2

Organization and Termination

2.1 Organizing Municipalities. The municipalities that have organized the District are the City of South Tucson and the City of Tucson (individually, a "Municipality" and collectively, the "Municipalities").

2.2 Additional Cities; Withdrawal. Municipalities may join or withdraw from the District only upon such terms and conditions as the Board of Directors of the District (the "Board") may approve by resolution.

2.3 District Termination. The District shall automatically terminate, without further act of the District, the Board, any of the Municipalities, or any other person or entity, upon: (i) the adoption of a resolution approving such termination by a vote of a majority of the Board members then appointed and eligible to vote (provided, however, that there is no indebtedness of the District outstanding or reasonably anticipated to exist at or following the termination date specified in such resolution); (ii) January 1, 2050, or such later date as may be approved from time to time by a vote of a majority of the Board members then appointed

and eligible to vote; or (iii) termination of the District by action of the Arizona Legislature.

ARTICLE 3

District Powers

3.1 Except as otherwise provided in these Rules and/or in any intergovernmental agreement entered into by the District, and/or by applicable law, the District shall have all of the powers of a district organized pursuant to A.R.S. § 48-4202(B), including but not limited to those powers expressly set forth in the MFD Laws, as amended from time to time.

ARTICLE 4

Board of Directors

4.1 Board Powers. The powers of the District shall be and are hereby vested in, and shall be exercised by or under the direction of, the Board of Directors.

4.2 Composition and Qualification of the Board. The Board of Directors shall be composed, and the qualifications of each member of the Board (hereinafter referred to as a "**Director**" or "**Board Member**"), shall be as provided in A.R.S. Sec. 48-4202(D) as provided in Senate Bill 1003, approved by the Governor on November 23, 2009.

4.3 Term. The term of office for each Director shall be as provided under A.R.S. Sec. 48-4202(D).

4.4 Resignation. Any Director may resign at any time by giving written notice of such resignation to the Board.

4.5 Removal. A Director, or other party as otherwise referenced herein, shall be removed from the Board prior to the expiration of his or her term only on the following terms and conditions:

4.5.1 Upon the death of the Director; or

4.5.2 Upon the mental or physical incapacity of the Director to serve in the capacity of a Director; or

4.5.3 Upon a Final Administrative Ruling or Finding (including but not limited to those involving any professional licensure or violation of any applicable provision of Article 8, Chapter 3, Title 38 of the Arizona Revised Statutes relating to conflicts of interest) of, or the conviction of, any serious crime bearing a reasonable relationship to a position of public or private trust involving the handling of, or accounting for, the funds of another including accounting violations, tax violations, dishonesty, fraud, misrepresentation, embezzlement, theft, forgery, perjury, breach of fiduciary duty or trust, defalcation, conflict of interest or moral turpitude; or

4.5.4 If a Director has three (3) consecutive unexcused absences from meetings of the Board, or if a Director has five (5) unexcused absences from meetings of the Board within a six (6) month period; or

4.5.5 If a Director ceases to satisfy the qualifications set forth in Section 4.2 hereof.

A Director removed pursuant to this Section 4.5 hereof shall automatically cease to be a Director and his or her place on the Board shall be deemed vacant upon the occurrence (or non-occurrence, as the case may be) of the condition or circumstance specified. If a Director is removed pursuant to this section or resigns pursuant to Section 4.4, the Chairperson of the District shall notify the appointing authority for that District seat pursuant to A.R.S. Sec. 48-4202(D) in writing within 10 days of the removal and will request the replacement of such appointee based upon agreed upon Administrative Rules.

An excused absence shall mean an absence approved in writing or by direction at a meeting by the Chairperson or a majority of the sitting and eligible officers of the Executive Officers upon request by the absent or anticipated to be absent Director.

4.6 Vacancies. Any vacancy in the Board shall be filled only by appointment by the appointing authority as provided under A.R.S. Sec. 48-4202(D).

4.7 Location of Meetings. Meetings of the Board shall be held in Tucson, Arizona, or in South Tucson, Arizona, or at such other reasonable locations as may be designated by the Board or the Chairperson, or in his/her absence the Secretary, or in their absence its Executive Director and posted in accordance with the requirements of the open meetings law.

4.8 Regular Meetings. Regular meetings of the Board may be held at such time as shall be determined, from time to time, at the discretion of the Chairperson or Secretary, or as requested by a majority vote of the Board Members then appointed and eligible to vote, but at least four such meetings shall be held during each fiscal year of the District. If the Board desires to cancel any future meeting, it may do so by a majority vote of the Board Members eligible to vote constituting a quorum at a public meeting. Furthermore, the Chairperson or the Secretary may determine, between public meetings, that any future meeting should be cancelled for lack of a quorum or other reason and give notice of same pursuant to open meeting law.

4.9 Special Meetings. Special meetings of the Board may be called by the Chairperson, or by a vote of a majority of the Board Members then appointed and eligible to vote.

4.10 Study Sessions and Executive Sessions. Study sessions and executive sessions may be held, subject to compliance with applicable open meeting laws.

4.11 Telephonic Meetings. Subject to compliance with applicable open meeting laws, meetings of the Board, regular or special, may be held by means of conference telephone or similar communication equipment provided that (1) consistent with the requirements of A.R.S. 38-431(4) et seq a quorum of Directors is present; and (2) all persons participating in the meeting can hear each other and be heard by the public in attendance. Participation in a meeting pursuant to this Section shall constitute presence in person at such meeting.

4.12 Notices. The Secretary shall, at the direction of the person calling such meeting, cause a written notice setting forth the time, place, and general purposes of any meeting of the Board to be delivered personally, to be sent by facsimile or electronic mail, or to be deposited in the mail,

first class or airmail postage prepaid, addressed to each Director of record at his or her last known address, electronic mail address, or facsimile number, as it appears on the District's records. Such written notice shall be sent at least twenty-four (24) hours before the time of the meeting if sent by personal delivery, facsimile, or electronic mail and at least fifty-six (56) hours before the time of the meeting if sent by mail. In addition, the Secretary, or appointed designee, shall post notice of any regular or special meeting (or of the cancellation of any regular or special meeting) of the Board as required by applicable open meeting laws.

4.13 Waiver of Notice by Directors. Any Director may waive notice of any regular or special meeting (and any adjournment thereof) at any time before, during which, or after the meeting is held. Attendance of a Director at any such meeting in person shall automatically evidence his waiver of notice of such meeting (and any adjournment thereof) unless he is attending the meeting for the sole and express purpose of objecting to the transaction of business because the meeting has not been properly called or noticed.

4.14 Chairperson. At all meetings of the Board, the Chairperson of the Board; or in his or her absence, the Secretary; or in his or her absence the Treasurer; or in his or her absence a Chairperson chosen by a majority vote of the Board Members constituting the quorum and eligible to vote that are present, shall preside.

4.15 Quorum. At all meetings of the Board, consistent with the requirements of A.R.S. 38-431, the presence of a majority of the Board Members then appointed to the Board and eligible to vote shall be necessary and sufficient to constitute a quorum for the transaction of business, except that less than a quorum may adjourn any meeting at which a quorum is not, or is no longer, present. Any matter before the Board shall be resolved by a majority vote cast by the Board Members eligible to vote constituting a quorum at a public meeting at any meeting at which a quorum is present and, upon such vote, shall be the act of the Board (and the District), except as may be otherwise specifically provided in these Administrative Rules as may be amended or as required by any other statute/law.

Notwithstanding anything to the contrary, any construction or capital project which in its aggregate is anticipated or actually will expend District funds in excess of \$150,000.00 (including, but not limited to, the contemplated proposed hotel, garage, convention center project (or as composed thereof) ("Project") whereby a vote taken by the Board to approve matters regarding the Project including, but not limited to, the GMP, a capital plan, a hotel operating agreement, Cooperation Agreement with the City of Tucson Government, and/or to issue a notice to proceed for a hotel or convention center pursuant to A.R.S. § 48-4204(B) shall be resolved by an affirmative majority vote of the Board Members then appointed and eligible to vote.

ARTICLE 5

Voting

5.1 Each Director shall have one vote on any matter before the Board.

ARTICLE 6

Officers and Staff

6.1 Number. The officers of the District shall consist of a Chairperson, a Secretary and a Treasurer and such other officers as the Board of Directors may determine from time to time are necessary to conduct the business of the District, each of whom shall be a member of the Board of Directors. The offices of Chairperson, Secretary and Treasurer may not be held by the same person. In addition, the Board of Directors may appoint, engage or employ an Executive Director and/or other staff and interns as reasonably appropriate from time to time. As for the Treasurer, the Board of Directors shall designate a member of the Board who have financial management or accounting experience, and/or a firm or person with whom the Board has contracted for financial management, as Treasurer of the District.

6.2 Election, Term, and Qualifications. The Chairperson, Secretary and Treasurer, only if the Treasurer is an elected Board member, shall be elected bi-annually. If for whatever reason a vacancy occurs in an office of the Board, the Board of Directors shall fill the vacancy within forty-five(45) days from the vacancy by vote of a majority vote of the Board Members then appointed to the Board and eligible to vote.

6.3 Removal. Any officer may be removed from office by a majority vote of the Board Members then appointed to the Board and eligible to vote at a regular meeting (whether such matter is agenzized or not) or at a special meeting called for that purpose.

6.4 Vacancies. In case any office of the District becomes vacant for any reason, the vacancy may be filled by a majority vote of the Board Members then appointed to the Board and eligible to vote. Any officer so elected shall hold office until the next meeting of the Board at which a successor is elected and qualifies.

6.5 Executive Officers:

6.5.1 Chairperson. The Chairperson shall preside at all meetings of the Board. He or she shall have and exercise general responsibility for and supervision of the affairs of the Board and shall do and perform such other duties as may be practical and as assigned to him or her by the Board.

6.5.2 Secretary. The Secretary shall preside at all meetings of the Board in the Chairperson's absence , and shall have charge of all public books, documents, and papers of the District and shall attend and keep the minutes of all of the meetings of the Board. The Secretary may attest the signature of the Chairperson, in the name and on behalf of the District, any contracts or agreements authorized by the Board, and when so authorized or ordered by the Board (and if the Board elects to adopt and use a corporate seal), may affix any such seal of the District. The Secretary shall, in general, perform all the duties incident to the office of secretary, subject to the control of the Board, and shall do and perform such other duties as may be assigned by the Board or the Chairperson.

6.5.3 Treasurer. The Treasurer shall have the custody of all funds, property, and securities of the District and shall establish and maintain at such bank or banks or other depository or depositories as the Board may direct or approve the fund required by A.R.S. §48-



4231 (the "District Fund"), into which shall be deposited all moneys received by the District, and from which shall be disbursed all moneys payable by the District, subject to such direction and regulations as may be imposed by the Board and the requirements of applicable law, including the MFD Laws. When necessary or proper, the Treasurer may endorse on behalf of the District for collection, checks, notes, and other obligations, and shall deposit the same to the credit of the District Fund. The Treasurer shall sign all receipts and vouchers and, together with such other officer or officers, if any, as shall be designated by the Board (via a majority vote of the Board Members constituting a quorum at such meeting), shall sign all checks of the District and all bills of exchange and bonds issued by the District, except in cases where the execution thereof shall be expressly designated by applicable law, by the Board or by these Rules to some other officer or agent of the District. The Treasurer should be responsible for developing and submitting to the Board for its approval, an Investment Policy which conforms to the requirements of any Bond indenture; and the Treasurer's actions and authority shall be subject to and restricted by any restrictions stated in any Bond indenture. The Treasurer shall make such payments as may be necessary or proper to be made on behalf of the District or as may be directed by the Board. The Treasurer shall keep the books of the District, shall maintain a full and accurate account of all moneys and obligations received and paid or incurred by or for the account of the District, and shall make such books and accounts available at all reasonable times to any Director or any officer of the District, on request of the Board, at the offices of the District. The Treasurer shall, in general, perform all the duties incident to the office of treasurer, subject to the control of the Board and the requirements of applicable law. Notwithstanding anything to the contrary, the Treasurer shall not endorse, sign, make payments or make any other decisions related to the accounts and investments of the District without a second signature by the Chairperson, or, in their absence the Secretary of the District or by approval of a majority of the Executive Officers in writing. Furthermore, the Treasurer may be held by a contracted party or liaison with a contracted party to perform such services subject to a Majority Vote of the Board Members constituting a quorum at such meeting.

6.6 Executive Director. If the Board elects to hire an Executive Director by a majority vote of the appointed members then seated and eligible to vote, the Executive Director shall have primary responsibility for coordinating, scheduling and supervising, on a day-to-day basis, the normal activities, administration, and operations of the District in keeping with policies established by the Board, including coordinating District review and evaluation of the feasibility of any proposed multipurpose facility and related facilities and activities; acquisition by the District of any interest in real or personal property for District purposes or otherwise; and/or District oversight of any planning, design, development, financing, construction, operation, maintenance or other activities related to any proposed multipurpose facility to be located within the District.

6.7 Compensation. The Board and the officers of the District may receive their reasonable and necessary out-of-pocket expenses in attending to and traveling on District business at the request of the District. The Board shall have the power in its discretion to pay special compensation to the Executive Director and staff (including, but not limited to, a financial service provider who is not a Board Member designated as the Treasurer) appropriate to the value of the services provided, from time to time.

6.8 Advisory Committees. The Board of Directors shall be authorized, from time to time, to establish and appoint advisory committee(s) on various issues and at its discretion. Such advisory committee(s) shall be subject to any applicable Open Meetings Laws.

ARTICLE 7

Indemnification and Liability Insurance

7.1 Indemnification. To the fullest extent allowed by applicable law, the District shall indemnify all of the District's existing and former Board members, officers, employees and agents (provided that, in the case of agents, such indemnity shall extend to such agent only if and to the extent incorporated by reference in a written agreement approved by the District Board pursuant to which such person or entity is acting or has acted in such capacity) as and from March 16, 2010 against any and all expenses incurred by such person or entity, including but not limited to legal fees, judgments, penalties and amounts paid in settlement or compromise, which may arise or be incurred, rendered or levied in any legal action brought or threatened against any of them for or on account of any action or omission alleged to have been committed while acting within the scope of the actions described in the MFD Laws and within the scope of their respective positions subject to the limitation set forth above, agents, whether or not any action is or has been filed against them and whether or not any settlement or compromise is approved by a court. Indemnification shall be mandatory and shall be automatically extended; provided, however, that the District shall have the right to refuse indemnification in any instance in which the person or entity to whom indemnification would otherwise have been available shall have unreasonably refused to permit the District, at its own expense and through counsel of its own choosing, to defend such person or entity. Notwithstanding anything to the contrary, indemnification shall not extend to fraud, negligence, willful misconduct, bad acts or otherwise illegal acts.

7.2 Liability Insurance. The District shall procure, pay the premiums for, and maintain in full force and effect adequate directors', and officers' liability insurance covering the activities of the Board Members and officers, employee and premises liability if applicable and other insurance as may be required or recommended.

ARTICLE 8

Conduct of Meetings

8.1 Order of Business. The order of business at meetings of the Board shall be set by the Chairperson and conducted in accordance with the requirements of applicable open meetings laws pursuant to the noticed agenda.

8.2 Public Comment, Presentations, Time Limitations. Members of the public, whether speaking on behalf of themselves or as a representative of an organization or group, when addressing the Board on any matter shall be limited to three (3) to five (5) minute presentations as determined by the Chairperson and/or a majority vote of the Board Members and eligible to vote representing a quorum at such meeting. The Chairperson or the Board may suspend or modify this rule for particular presentations or matters as the Chairperson or the Board may

deem appropriate.

ARTICLE 9

Contracts

The Board may authorize any officer of the Board to enter into any contract or execute and deliver any instrument in the name of and on behalf of the District, which authority may be general or confined to a specific instance; provided, however, that unless authorized by a Board resolution approved by a majority vote of the Board Members then appointed to the Board and eligible to vote, or as expressly delegated pursuant to an intergovernmental agreement or other agreement/employment contract approved by a majority vote of the Board Members then appointed to the Board and eligible to vote, no officer shall have any power or authority to bind the District, whether by any contract or otherwise.

ARTICLE 10

Fiscal Year

The fiscal year of the District shall commence on July 1 of each year and end on the succeeding June 30.

ARTICLE 11

Official Records

11.1 Official Records. The official records of the District shall include these Rules, and the minutes of the Board, together with all other official actions or other official items filed with or issued by the Board.

11.2 Recording of Votes. Minutes shall be kept, pursuant to Open Meetings laws, for all meetings of the Board and shall show the vote on every question on which the Board is required to act, and shall indicate absence or failure to vote. The minutes shall also record a summary of the Board's deliberations and other official actions.

11.3 Public Record. To the extent required by applicable law, all of the official records of the Board shall be public records.

ARTICLE 13

Amendments

The Board shall have the power to adopt amendments to or alter, amend, or repeal these Rules by a majority vote of the Board members then appointed and eligible to vote at any regular meeting or at any special meeting called for that purpose.

CERTIFICATE OF ADOPTION

The foregoing Administrative Rules were duly adopted by the Board of Directors of RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT pursuant to a resolution adopted by the Directors of the District on the 23 day of May, 2012.

RIO NUEVO MULTIPURPOSE FACILITIES
DISTRICT

By


_____, Secretary

Approved at a Regular Meeting of the
Board of Directors on May, 23, 2012:

By


_____, Chairperson