



MEMORANDUM

Date: November 14, 2025

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: Jan Leshner 
County Administrator

Re: **Additional Information for November 18, 2025, Board of Supervisors Consent Calendar Item #15 – Pima County Arizona Municipal Property Corporation Appointments**

On the November 18, 2025 Board of Supervisors Agenda there is an item regarding appointment of the Board of Directors for the Pima County Arizona Municipal Property Corporation (Pima MPC). Provided herein is additional information on the structure and function of the Pima MPC.

The Pima MPC was established by the Board of Supervisors in 1991 to finance the cost of acquiring, constructing, reconstructing, or improving buildings, equipment, and other real and personal properties suitable for use by and for leasing to Pima County through the issuance of Internal Revenue Service Revenue Ruling 63-20 tax-exempt bonds (Attachment 1). This financing structure allows the County to undertake capital improvements through lease-purchase arrangements.

The attached additional background information on the Pima MPC including Articles of Incorporation and Board of Supervisors Resolution 1991-252 and Bylaws are provided for your reference (Attachment 2).

Historical Use of the Pima MPC

The Pima MPC issued one 63-20 tax-exempt bond in 1992 in the amount of \$3,650,000 for improvements to Hi Corbett Field. No Pima MPC bonds have been issued since that time due to Board policy. However, the Pima MPC functionally remains in place and its Board of Directors continues to be annually appointed.

Current Board of Directors (serving until November 19, 2025)

Five members who are current board members of the Pima County Industrial Development Authority (Pima IDA) serve as the *Board of Directors* of the Corporation. Current Board of Directors members are:

- Diane Quihuis
- Frank Y. Valenzuela
- John H. Payne
- Kenneth M. Silverman
- Stanley Lehman

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The Honorable Chair and Members, Pima County Board of Supervisors

Re: **Additional Information for November 18, 2025, Board of Supervisors Consent Calendar
Item #15 – Pima County Arizona Municipal Property Corporation Appointments**

November 14, 2025

Page 2

The Pima MPC Board of Directors consists of five members who also serve on the Pima IDA, however the terms differ between the two entities. Pima IDA members serve six-year staggered terms, while Pima MPC Board members serve one-year terms with annual reappointments occurring each November.

Although the Pima MPC has not issued bonds since 1992, consultation with the County Attorney's office has determined that the Corporation should remain active. The annual reappointment process ensures the Pima MPC remains available as a financing tool should the County choose to utilize it for future capital projects.

Proposed Board Members

Due to recent resignations of two Pima IDA board members, the Board of Supervisors is requested to reappoint the existing Pima IDA board members along with two new Pima IDA board members as follows:

- Diane Quihuis (Reappointment)
- John H. Payne (Reappointment)
- Kenneth M. Silverman (Reappointment)
- Jeff Singleton (New appointment)
- Paul Kraft (New appointment)

Recommendation

It is recommended that the Board of Supervisors appoint the proposed members to serve as the Pima MPC Board of Directors for one-year terms.

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Attachments

c: Carmine DeBonis, Jr., Deputy County Administrator
Steve Holmes, Deputy County Administrator
Sam Brown, Chief Civil Deputy County Attorney
Heath Vescovi-Chiordi, Director, Economic Development Department
Michael Slania, Commission Coordinator, Slania Law P.L.L.C.

ATTACHMENT 1

Rev. Rul. 63-20, 1963-1 CB 24 January 1, 1963

Advice has been requested whether interest received on bonds issued by a nonprofit industrial development corporation organized under the general nonprofit corporation law of a state is excludable from gross income under section 103(a)(1) of the Internal Revenue Code of 1954.

The S corporation was incorporated as a membership corporation under the general nonprofit corporation law of a state. The corporation was organized for the general purpose of stimulating industrial development within P county. The articles of incorporation authorize the S corporation to purchase, lease and sell industrial sites and buildings and to build industrial facilities for lease or sale to new or expanding businesses within P county. The S corporation does not contemplate pecuniary gain to its members, who consist of representatives of the local chambers of commerce and other private business groups in P county, the county commissioners and officials of participating municipalities. The S corporation will have perpetual existence. The articles of incorporation further provide that upon retirement of any outstanding corporate indebtedness, or upon dissolution of the corporation, the beneficial interest of any property owned by the S corporation will be solely in P county.

Funds for the operating expenses of the corporation are provided by P county, local chambers of commerce and manufacturing associations and the department of commerce of the state involved.

The S corporation purchased land in P county and erected and equipped a factory thereon which it leased to an industrial firm for a period of 2 x years under a lease agreement. The S corporation financed this project through the issuance of its interest bearing revenue bonds. The total rental to be paid by the industrial firm under the lease agreement is an amount sufficient to pay the principal of and interest on the bonds.

The indenture of trust, under which the bonds were issued, provides that the S corporation will deliver to the indenture trustee a deed of title to the land and factory, which the trustee will hold until the bonds are fully retired. In the event of a default by the S corporation in the payment of the principal and interest on the bonds, the trustee has the power to sell the property and use the proceeds to pay the bondholders.

The Internal Revenue Service holds that obligations of a nonprofit corporation organized pursuant to the general nonprofit corporation law of a state will be considered issued "on behalf of" the state or a political subdivision thereof for the purposes of section 1.103-1 of the Income Tax Regulations, provided each of the following requirements is met: (1) the corporation must engage in activities which are essentially public in nature; (2) the corporation must be one which is not organized for profit (except to the extent of retiring indebtedness); (3) the corporate income must not inure to any private person; (4) the state or a political subdivision thereof must have a beneficial interest in the corporation while the indebtedness remains outstanding and it must obtain full legal title to the property of the corporation with respect to which the indebtedness was incurred upon the retirement of such indebtedness; and (5) the corporation must have been approved by the state or a political subdivision thereof, either of which must also have approved the specific obligations issued by the corporation.

In the instant case, P county does not have a beneficial interest in the S corporation during the period the revenue bonds will be outstanding; nor will the county necessarily acquire full legal title to the land and factory upon retirement of the bonds. The articles of incorporation provide only that, upon retirement of any corporate indebtedness, or upon dissolution of the corporation, P county will have a

beneficial interest in the assets of the S corporation. Therefore, there will not necessarily be a vesting of full legal title to the land and factory in P county.

Furthermore, while the fact that P county and its participating municipalities are represented among the membership of the S corporation and contribute money to its operations indicates governmental authorization of the corporation and approval of its general objectives, such activities alone are not deemed to constitute approval of the specific bonds issued by the S corporation.

Under the circumstances in the instant case, it is held that the revenue bonds issued by the S corporation are not issued "on behalf of" a political subdivision within the meaning of section 1.103-1 of the regulations. Therefore, the interest received on the bonds will be includible in the gross income of the bondholders under the provisions of section 61(a)(4) of the Code.

Revenue Ruling 54-296, C.B. 1954-2, 59, and Revenue Ruling 59-41, C.B. 1959-1, 13, are distinguishable from the instant case. In both of those rulings, the political subdivision involved had a beneficial interest in the nonprofit corporation prior to the retirement of the indebtedness.

In Revenue Ruling 54-296, a municipality leased to a nonprofit corporation a municipally-owned building in exchange for all its stock. The corporation proposed to issue bonds to finance improvements to the building and it was held that interest on the bonds would be excludable from gross income under section 103 of the Code. The beneficial interest of the municipality consisted in its ownership of all the stock of the corporation and its right under the lease at any time to acquire the improvements by discharging the corporation's indebtedness. Moreover, the municipality retained title to the building which it leased to the corporation.

In Revenue Ruling 59-41, it was held that the bonds of a nonprofit corporation organized under general state law at the request of a municipality to operate the local water system would be issued on behalf of the municipality for purposes of section 103. The municipality which had the right pursuant to law to purchase the water system, waived such right and entered into a contract with the corporation ratifying and approving the purchase of the system by the corporation. The beneficial interest of the municipality consisted in its right under the contract at any time to purchase the water system for an amount equal to the indebtedness then outstanding with interest.

Also, in each of those rulings the political subdivision involved was to become absolute owner of the property in question upon retirement of the corporate indebtedness.

Revenue Ruling 57-187, C.B. 1957-1, 65, and Revenue Ruling 60-248, C.B. 1960-2, 35, are also distinguishable from the instant case. They hold that interest on bonds issued by a public corporation or corporate governmental agency organized pursuant to a special state statute providing for the creation of such corporations for the particular purpose specified therein and authorizing such corporations to issue bonds to enable them to carry out the specified purpose, is excludable from gross income under section 103 of the Code. In the instant case the corporation in question is not a public corporation or corporate governmental agency organized under such a special state statute; it is a private corporation organized under the general nonprofit law of the state.

The conclusion reached in the instant case is not inconsistent with Revenue Ruling 54-106, C.B. 1954-1, 28, which states that bonds issued by or on behalf of a municipality for the purpose of financing the acquisition or construction of municipally-owned industrial plants for lease to private industry constitute

obligations of a political subdivision of a state within the meaning of section 22(b)(4) of the 1939 Code (section 103 of the 1954 Code). That Revenue Ruling did not consider the question what constitutes issuance of bonds "on behalf of" a political subdivision, which is the issue in the instant case.

ATTACHMENT 2

ARTICLES OF INCORPORATION
OF
PIMA COUNTY, ARIZONA
MUNICIPAL PROPERTY CORPORATION

AZ. CORP. COMMISSION
FOR THE STATE OF AZ.

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The undersigned, for the purpose of forming a nonprofit corporation under and pursuant to the laws of the State of Arizona, do hereby adopt the following Articles of Incorporation:

ARTICLE I

NAME. The name of this corporation is PIMA COUNTY, ARIZONA MUNICIPAL PROPERTY CORPORATION, hereinafter referred to as the "Corporation". Its principal place of business shall be at Tucson, Arizona.

ARTICLE II

MEMBERS. The Corporation shall have no members. All powers, privileges, rights, duties and obligations which would otherwise be exercised and performed by corporate members shall be vested in and exercised by those persons who shall from time to time constitute the members of the Board of Directors hereof.

ARTICLE III

PURPOSES AND POWERS. The Corporation is organized for the transaction of any or all lawful business for which nonprofit corporations may be incorporated under the laws of the State of Arizona, as they may be amended from time to time, including, without limiting the generality of the foregoing, any civic or charitable purpose such as financing the cost of acquiring,

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constructing, reconstructing or improving buildings, equipment and other real and personal properties suitable for use by and for leasing to Pima County, Arizona, or its agencies or instrumentalities, subject to the express limitation and condition that this Corporation shall always be operated solely and exclusively in the interest of the general public. The Corporation shall have and exercise any and all powers, rights, and privileges which a nonprofit corporation, organized under the laws of the State of Arizona, may now or hereafter have or exercise.

ARTICLE IV

CHARACTER OF BUSINESS. The character of business which the Corporation intends actually to conduct in the State of Arizona is the financing of the cost of the acquisition, construction, reconstruction or improvement of various municipal buildings, equipment, and other real and personal property suitable for use by and the leasing thereof to Pima County, Arizona or its agencies or instrumentalities.

ARTICLE V

USE OF EARNINGS. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its Directors, officers, or other private persons, and no dividend may be paid and no part of the income or profit of the Corporation may be distributed to its Directors or officers; except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered to it for its benefit, and to

make payments and distributions in furtherance of the purposes set forth in these Articles of Incorporation, including the authority to repay the principal of and pay the interest accrued on indebtedness incurred by it to accomplish its civic or charitable purpose.

This Corporation shall be authorized to and may make reasonable charges for any services rendered by it or for assets furnished by it, but all funds received by the Corporation in excess of the cost of its operation shall be held in trust for the accomplishment of its civic and charitable purposes, including the retirement of its debts. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.

ARTICLE VI

DISSOLUTION. Upon the dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the Corporation, dispose of all of its assets by transferring such assets to Pima County, Arizona, or its successor in interest for public purposes.

ARTICLE VII

STATUTORY AGENT. The initial Statutory Agent for the Corporation is Steven Russo, Esq., RUSSO, COX & RUSSO, P.C., 4301

East Fifth Street, Tucson, Arizona 85711, who is and has been a resident of the State of Arizona for more than three (3) years.

ARTICLE VIII

CONTROL AND MANAGEMENT. The control and management of the business and affairs of the Corporation shall be vested in a Board of Directors constituted and qualified as specified in the Bylaws of the Corporation, but the said Board of Directors in any event shall consist of not less than five Directors, all of whom shall be residents of Pima County, Arizona. The Directors shall be elected by the Board of Supervisors of Pima County, Arizona, as the governing body of Pima County, Arizona, and, unless the Bylaws of the Corporation provide to the contrary, shall hold office for a period of one year or until their successors shall have been elected and qualified. Any vacancy occurring in the Board of Directors shall also be filled by the Board of Supervisors of Pima County, Arizona, as the governing body of Pima County, Arizona. The Directors may be removed from office, with or without cause, by the Board of Supervisors of Pima County, Arizona. ...

ARTICLE IX

BOARD OF DIRECTORS. The number of Directors constituting the initial Board of Directors shall be five (5). The names and addresses and initial terms of the persons serving as the initial Directors of the Corporation are:

<u>Name</u>	<u>Address</u>	<u>Term</u> <u>(years)</u>
Ms. Maria Elba León	P. O. Box 13779 Tucson, Arizona 85711	1

Mr. Mario A. Yrún	3777 East Broadway, Suite 209 Tucson, Arizona 85716	1
Mr. Stanley Lehman	4817 North Via Entrada Tucson, Arizona 85718	1
Mr. Frank Y. Valenzuela	3414 East Silverlake Tucson, Arizona 85713	1
Mr. Bernhardt W. Collins	4301 N. Camino de Carrillo Tucson, Arizona 85715	1

ARTICLE X

INCORPORATORS. The names and address of the incorporators of this Corporation are:

<u>Name</u>	<u>Address</u>
Mr. Reg T. Morrison	130 West Congress, 11th Floor Tucson, Arizona 85701
Mr. Dan del Eckstrom	130 West Congress, 11th Floor Tucson, Arizona 85701
Mr. Edwin Moore, III	130 West Congress, 11th Floor Tucson, Arizona 85701
Mr. Greg Lunn	130 West Congress, 11th Floor Tucson, Arizona 85701
Mr. Raul M. Grijalva	130 West Congress, 11th Floor Tucson, Arizona 85701

ARTICLE XI

INDEMNIFICATION. The private property of the officers and Directors of the Corporation shall be exempt from liability for its debts and obligations. The Corporation shall indemnify any and all of its Directors, officers, employees and agents to the fullest extent permissible under the provisions of the laws of the State of Arizona. Indemnification pursuant to this Article shall be

mandatory in all circumstances where indemnification is permitted by law.

ARTICLE XII

AMENDMENT. These Articles of Incorporation may at any time, and from time to time, be amended to make any changes therein and add any provisions thereto which might have been included in the Articles of Incorporation in the first instance, provided that the Board of Directors of the Corporation first shall file with the Board of Supervisors of Pima County, Arizona, as governing body of Pima County, Arizona, an application in writing seeking permission to amend these Articles of Incorporation, specifying in such application the amendment proposed to be made. The Board of Supervisors of Pima County, Arizona, as governing body of Pima County, Arizona shall consider such application and, if it finds and determines it is wise, expedient, necessary or advisable that the proposed amendments be made, authorizes the same to be made, and approves the form of the proposed amendment, then the persons making such application shall proceed to amend these Articles of Incorporation in accordance with the provisions of Chapter 5, Title 10, Arizona Revised Statutes, as amended.

ARTICLE XIII

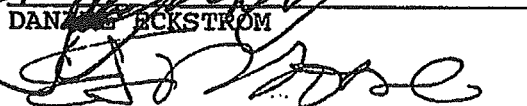
BYLAWS. The Bylaws of the Corporation may at any time, and from time to time, be amended to make any changes therein and add any provisions thereto which might have been included in the Bylaws in the first instance, provided that the Board of Directors of the

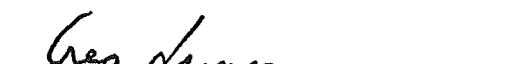
Corporation first shall file with the Board of Supervisors of Pima County, Arizona, as governing body of Pima County, Arizona, an application in writing seeking permission to amend the Bylaws, specifying in such application the amendment proposed to be made. The Board of Supervisors of Pima County, Arizona, as governing body of Pima County, Arizona, shall consider such application and, if it finds and determines it is wise, expedient, necessary or advisable that the proposed amendments be made, authorizes the same to be made, and approves the form of the proposed amendment, then the persons making such application shall proceed to amend the Bylaws of the Corporation.

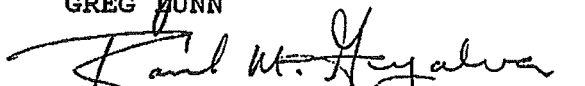
IN WITNESS WHEREOF, the incorporators have hereunto set their hands this 19th day of November, 1991.


REG T. MORRISON


DAN ECKSTROM


EDWIN MOORE, III


GREG DUNN


RAUL M. GRIJALVA

ATTEST:


Jane Williams, Clerk
Board of Supervisors

STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

On November 19, 1991, before me, the undersigned Notary Public, personally appeared Reg T. Morrison, Daniel Eckstrom, Edwin Moore, III, Greg Lunn and Raul M. Grijalva, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

Patti L.C. Rabbly
Notary Public

My Commission expires:

~~My Commission Expires August 22, 1993~~

By his signature below, the Statutory Agent hereby consents to act in that capacity until his removal or his resignation is submitted in accordance with the laws of the State of Arizona.

Steven Russo
STEVEN RUSSO

Certificate of Clerk

Board of Supervisors of Pima County, Arizona

State of Arizona }
County of Pima } ss

I, Jane S. Williams, do hereby certify that I am the duly appointed, qualified, and acting Clerk of the Board of Supervisors of Pima County, Arizona.

I further certify that the attached resolution entitled

RESOLUTION NO. 1991-252

A RESOLUTION OF THE BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZONA, APPROVING ARTICLES OF INCORPORATION OF PIMA COUNTY, ARIZONA MUNICIPAL PROPERTY CORPORATION; AND APPOINTING INCORPORATORS AND BOARD OF DIRECTORS.

(See attached copy pages 1-8)

is a true and correct copy of a resolution passed and adopted by the Board of Supervisors of Pima County, Arizona, at a meeting held on the
19th *day of* November, 19 91, *at which a quorum was present, and that the original resolution is officially of record in my possession.*

In Witness Whereof, I have hereunto set my hand and affixed the seal of the Board of Supervisors of Pima County, Arizona, this 16th *day of* December, 19 91.

*L. S. Goddard, Deputy
Clerk*

RECORDED BY: NTS
DEPUTY RECORDER
2100 RD18
P0230
PIMA CO CLERK OF THE BOARD



DOCKET: 9184
PAGE: 306
NO. OF PAGES: 10
SEQUENCE: 91156640
12/12/91
RES 09:40:00
PICKUP
AMOUNT PAID \$ 5.50

TUCSON AZ 85701

RESOLUTION NO. 1991-252

A RESOLUTION OF THE BOARD OF SUPERVISORS OF PIMA COUNTY,
ARIZONA, APPROVING ARTICLES OF INCORPORATION OF
PIMA COUNTY, ARIZONA MUNICIPAL PROPERTY CORPORATION;
AND APPOINTING INCORPORATORS AND BOARD OF DIRECTORS

WHEREAS, the Board of Supervisors of Pima County, Arizona, have received and duly considered the proposed Articles of Incorporation of the Pima County, Arizona Municipal Property Corporation, an Arizona nonprofit corporation (the "Corporation"), a copy of which is appended hereto as Appendix A; and

WHEREAS, the purpose of the Corporation shall be to finance the cost of acquiring, constructing, reconstructing or improving buildings, equipment and other real and personal properties suitable for use by and for leasing to Pima County, Arizona; and

WHEREAS, it is incumbent upon the Board of Supervisors of Pima County, Arizona, to approve the Articles of Incorporation of the Corporation and authorize the filing of such Articles of Incorporation with the Arizona Corporation Commission, to appoint the incorporators of the Corporation and to appoint and elect the initial Board of Directors of the Corporation; and

WHEREAS, the Board of Supervisors of Pima County, Arizona, have determined that it is wise, expedient, advisable and in the public interest of Pima County, Arizona, and the residents thereof that Pima County, Arizona Municipal Property Corporation, an Arizona nonprofit corporation, be incorporated as provided by law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZONA, AS FOLLOWS:

Section 1. The formation of the Corporation is hereby approved.

Section 2. The Articles of Incorporation of the Corporation, in the form appended hereto as Appendix A, be and they are hereby approved.

Section 3. The following named individuals, all of whom are residents of Pima County, Arizona, are hereby appointed as the incorporators of the Corporation and they are authorized to proceed with the incorporation of the Corporation as prescribed in Chapter 5, Title 10, Arizona Revised Statutes.

Dan Eckstrom
Raul M. Grijalva
Greg Lunn
Edwin Moore, III
Reg T. Morrison

Section 4. The following named individuals, all of whom are residents of Pima County, Arizona, are hereby appointed and elected as initial members of the Board of Directors of the Corporation for the term set forth beside their names:

<u>Name</u>	<u>Term (Years)</u>
Maria Elba León	One
Mario A. Yrún	One
Stanley Lehman	One
Frank Y. Valenzuela	One
Bernhardt W. Collins	One

Section 5. The appropriate incorporators and directors of the Corporation be, and they are hereby authorized, empowered and directed, in the name and on behalf of the Corporation, to take such action as may be necessary or desirable to carry out the intents and purposes of this resolution.

PASSED, APPROVED AND ADOPTED by the Board of Supervisors of Pima County, Arizona, this 19th day of November, 1991.


Reg T. Morrison, Chairman
Board of Supervisors

NOV 19 1991

ATTEST:


Jane S. Williams, Clerk
Board of Supervisors

Approved as to Form:


Russo, Cox & Russo, P.C.

BYLAWS
OF
PIMA COUNTY, ARIZONA MUNICIPAL PROPERTY
CORPORATION, AN ARIZONA NONPROFIT CORPORATION

ARTICLE I

GENERAL

SECTION 1. Name and Character. The name of this corporation is PIMA COUNTY, ARIZONA MUNICIPAL PROPERTY CORPORATION, hereinafter referred to as the "Corporation", and it has been created and organized as a nonprofit corporation under the laws of the State of Arizona.

SECTION 2. Purpose and Accomplishment Thereof.

(a) To acquire, by purchase, exchange, gift, lease or otherwise, real estate, or any interests therein, located in the County of Pima; to construct or acquire or equip or maintain buildings, structures or improvements thereon which may be utilized by said County or any department or agency thereof or arrange for any of the foregoing and by sale, lease, sublease or otherwise make any part or all of the properties, real, personal or mixed, available to or for the benefit of said County or any one or more departments or agencies thereof;

(b) To promote the common good and general welfare of the County, and the inhabitants and commercial and other enterprises of said County and the surrounding territories by providing the properties as hereinbefore described;

(c) To borrow the necessary funds to pay the cost of acquiring, constructing, equipping and maintaining such properties, the indebtedness for which borrowed funds may be evidenced by securities of this Corporation of any kind or character issued at any one or more times, which may be either unsecured or secured by any mortgage, trust deed or security interest upon any part or all of the properties and revenues at any time then or thereafter owned or acquired by this Corporation;

(d) To operate exclusively for any lawful purpose not involving pecuniary profit to this Corporation, the undersigned or

the officers or directors of this Corporation, in such manner as the Board of Directors may deem best;

(e) To conduct its business and affairs so as to tender by gift to the County, after all of this Corporation's indebtedness has been paid, all rights, title and interest of the Corporation in or to all of its properties and assets (subject to any leases that may then exist thereon).

(f) To buy, contract for, lease and in any other lawful ways acquire, take, hold and own real, personal and mixed property of all kinds and descriptions and to sell, mortgage, lease and otherwise dispose of the same for the objects hereinbefore enumerated;

(g) To buy, sell, hold, use, lease and deal in franchises, easements, licenses, privileges, patents, rights-of-way, trademarks and trade names for the objects hereinbefore enumerated;

(h) To do all and everything necessary, suitable and proper for the accomplishment of any of the purposes or attainment of any of the objects hereinbefore mentioned either alone or in association with other individuals, corporations or partnerships and including federal, state, county and municipal bodies and authorities and in general, to do any and all things which a natural person could do or which now or hereafter may be authorized by law and in general, to do and perform such acts and things and transact such business in connection with the foregoing objects not inconsistent with law.

SECTION 3. Property Interest of Directors and Officers. No director or officer of the Corporation shall have any right, title or interest in or to any property or assets of the Corporation, either prior to or at the time of any liquidation or dissolution of the Corporation, all of which properties and assets shall at the time of any liquidation or dissolution vest in Pima County, Arizona, as provided in the Articles of Incorporation of the Corporation.

SECTION 4. Seal. The seal of the Corporation shall be circular in form and shall bear on its outer edge the words "PIMA COUNTY, ARIZONA MUNICIPAL PROPERTY CORPORATION".

SECTION 5. Offices. The principal office of the Corporation shall be in Pima County, Arizona; but offices may be maintained and the business of the corporation carried on in such other places

within and without the State of Arizona as the Board of Directors may designate.

ARTICLE II

BOARD OF DIRECTORS

SECTION 1. General Powers. The business and affairs of the Corporation shall be managed by a Board of Directors which shall exercise all of the powers of the Corporation.

SECTION 2. Number of Directors. The Board of Directors shall consist of five (5) members until such time as the Board of Supervisors of Pima County, Arizona shall increase or decrease the number of directors; but the Board shall at no time have less than three (3) members.

SECTION 3. Election and Tenure of Office. Directors shall be appointed by the Board of Supervisors of Pima County, Arizona on November 19 of each year. The initial Board of Directors named in the Articles of Incorporation shall serve until the appointment of new directors, by the Pima County Board of Supervisors, on November 19, 1992.

SECTION 4. Resignation. Any director may resign at any time by giving written notice of such resignation to the Board of Directors.

SECTION 5. Vacancies. Any vacancy occurring in the Board of may be filled by the majority vote of the remaining directors for the unexpired portion of the term, subject to the approval of the Board of Supervisors of Pima County, Arizona.

SECTION 6. Compensation. No Director shall be entitled to compensation by the Corporation for his or her services to the Corporation as a Director; except that they shall be reimbursed for their actual expenses incurred in the performance of their duties in the same manner as is provided for other state officers. No director or officer shall receive compensation for serving the Corporation in any other capacity, nor shall any close relative of a director or officer receive compensation for serving the Corporation. The term "close relative" as used herein, shall mean any brother or sister of any director or officer, the forbearers and descendants of a director or officer, or any such brother or sister or any spouse of any director or officer or any aforesaid person.

SECTION 7. Annual Meetings; Regular Meetings. The annual meeting of the Board of Directors shall be held on the third Friday of March of each year, beginning with the year 1992 at such place as shall be designated in the notice of the meeting, for the purpose of passing upon reports for the previous fiscal year, the election of officers, and the transaction of such other business as may properly come before the meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the Corporation, and in the event of such failure, the annual meeting shall be held within a reasonable time thereafter. The Board may, by resolution provide for other regular meetings of the Board, which meetings may be held without notice other than such resolution fixing the time and place thereof.

SECTION 8. Special Meetings. Special meetings of the Board of Directors may be called by the President or Vice President, and must be called by either of them on the request of any member of the Board. The officer or director calling the meeting shall fix the time and place for the holding of the meeting.

SECTION 9. Notice of Meetings. Notice of all meetings of the directors shall be given by mailing notice thereof to each director at least three (3) days before the meeting, such notice to be mailed or sent to the last known address of the director. Notice of any meeting may be waived by any director. Regular meetings of the Board of Directors may be held without notice if a regular time and place has been previously specified for the holding of such meetings. Any business may be transacted at any directors' meeting.

SECTION 10. Place of Meeting. The directors shall hold their meetings at such time and place as may be specified in the notice for the call of the meeting, or at such place as shall be the regularly designated meeting place.

SECTION 11. Quorum. At all meetings of the Board of Directors, a majority of the directors shall be necessary to constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute, the Articles of Incorporation of this Corporation, or these Bylaws. If at any meeting there is less than a quorum present, a majority of those present may adjourn the meeting from time to time, and the Secretary shall notify any absent directors of the time and place of such adjourned meeting. Notwithstanding the foregoing, if all of the directors shall sign a written ratification of actions taken

at any meeting, then such actions shall be and constitute the valid actions of the Corporation, whether or not a quorum of directors, as defined herein, was actually present at the meeting.

SECTION 12. Additional Rules and Regulations. The directors may adopt such additional rules and regulations for the management of the affairs of the Corporation as the conduct of its business shall require, but such rules and regulations shall not be inconsistent with any statute, the Articles of Incorporation of this Corporation, or these Bylaws.

ARTICLE III

OFFICERS

SECTION 1. Offices Created. The officers of the Corporation shall be a President, a Vice President, a Secretary, and a Treasurer. The Board of Directors may appoint or elect such other officers as it shall deem necessary for the proper conduct of the business and affairs of the Corporation. The offices of Secretary and Treasurer may be held by the same person.

SECTION 2. Election, Term of Office and Qualifications. The officers shall be elected annually by the Board of Directors from among their number or and the officers so elected shall serve until the next annual meeting of the Board of Directors and until their successors are elected and qualified.

SECTION 3. Vacancies. Any vacancy in any office shall be filled by the Board of Directors, and the officers so elected shall hold office and serve until the next annual meeting of the Board of Directors and until his successor shall be elected and qualified.

SECTION 4. President. The President shall preside at all meetings of the Board of Directors. He or she shall exercise general charge and supervision of the affairs of the Corporation and shall do and perform such other duties as may be assigned to him by the Board of Directors. The President may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts, indentures, or other instruments authorized by the Board to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed.

SECTION 5. Vice President. At the request of the President, or in the event of his absence or disability, the Vice President

shall perform the duties and possess and exercise the powers of the President, and the Vice President shall have such other powers as the Board of Directors shall determine, and shall perform such other duties as may be assigned to him by the Board of Directors.

SECTION 6. Secretary. The Secretary shall keep charge of the books, documents, records and papers of the Corporation and shall have custody of the corporate seal. He or she shall attend and keep the minutes of all of the meetings of the Board of Directors of the Corporation. He shall keep a list of the members of the Board of Directors and the officers of the Corporation, showing their names and their places of resident. He shall, in general, perform all of the duties incident to the office of Secretary, subject to the control of the Board of Directors, and shall do and perform such other duties as may be assigned to him by the Board of Directors.

SECTION 7. Treasurer. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Corporation. He shall be responsible for the receipt of and the issuance of receipts for all moneys due and payable to the Corporation and for the deposit of all such moneys in the name of the Corporation in such bank or banks as shall be selected in accordance with the provisions of these Bylaws. He shall, in general, perform all of the duties incident to the office of Treasurer, subject to the control of the Board of Directors and shall do and perform such other duties as may be assigned to him by the Board of Directors.

SECTION 8. Bonds of Officers. The Treasurer and any other officer or agent of the Corporation charged with responsibility for the custody of any of its funds or property shall give bond in such sum and with such surety as the Board shall determine.

SECTION 9. Removal. Any officer may be removed from office by an affirmative vote of two-thirds (2/3) of the directors at any regular or special meeting called for that purpose for nonfeasance, malfeasance or misfeasance, or for conduct detrimental to the interests of the Corporation.

SECTION 10. Agents and Employees. The powers, duties and compensation of agents and employees of the Corporation shall be fixed by the Board of Directors.

ARTICLE IV

FINANCIAL TRANSACTIONS

SECTION 1. Nonprofit Operation. The Corporation shall at all times be operated on a nonprofit basis. No director, officer, employee, member of the committee, or any individual shall receive at any time any of the net earnings or pecuniary profits from the operations of the Corporation, and no such person or persons shall be entitled to share in the distribution of any of the corporate assets upon the dissolution of the Corporation.

SECTION 2. Accounting System and Reports. The Board of Directors shall cause to be established and maintained, in accordance with generally accepted principals of accounting, an appropriate accounting system.

SECTION 3. Contracts. Except as otherwise provided in these Bylaws, the Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation, and such authority may be general or confined to specific instances.

SECTION 4. Checks, Drafts, Etc. All checks, drafts, or other orders for the payment of money, and all notes, bonds, or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents, employee or employees of the Corporation and in such manner as shall from time to time be determined by resolution of the Board.

SECTION 5. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such bank or banks as the Board may select.

SECTION 6. Fiscal Year. ^{AMENDED 6-30-93} The fiscal year of the Corporation shall begin on the first day of January each and every year and shall end on the thirty-first day of December of the same year.

ARTICLE V

AMENDMENTS

Except to the extent that the right to amend the Bylaws of this Corporation is limited and restricted by resolution of this Corporation, the Board of Directors shall have the power to make, amend, alter or repeal the Bylaws of the Corporation by an affirmative vote of the majority of the Board, provided that such

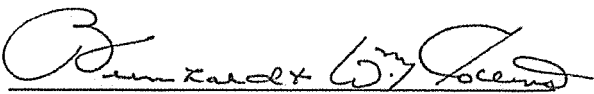
action is taken at a regular or special meeting of the Board. Notwithstanding the foregoing, SECTIONS 2 and 3 of ARTICLE I, SECTION 6 of ARTICLE II and SECTION 1 of ARTICLE IV of these Bylaws may not be altered, amended or repealed.

DATED this 20th day of December, 1991.

ADOPTED: PIMA COUNTY, ARIZONA
MUNICIPAL PROPERTY CORPORATION



President



Secretary

ARTICLE IV SECTION 6. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of July of each and every year and end on the thirtieth day of June of the following year.

Amended on June 30, 1993

A RESOLUTION AMENDING THE BYLAWS OF THE PIMA
COUNTY, ARIZONA MUNICIPAL PROPERTY CORPORATION

WHEREAS, the Pima County, Arizona Municipal Property Corporation (the "Corporation"), is a political subdivision of the State of Arizona; and

WHEREAS, the Corporation proposes to change Article IV, Section 6 of its Bylaws to reflect the fiscal year to begin on the first day of July each and every year and end on the thirtieth day of June of the following year; and

WHEREAS the Corporation deems it necessary and advisable that it take such action; and

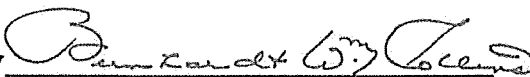
WHEREAS, pursuant to the Bylaws of the Corporation, it is intended that this Resolution shall constitute an official action toward the amending of the Bylaws;

NOW, THEREFORE, BE IT RESOLVED, by the Pima County, Arizona Municipal Property Corporation as follows:

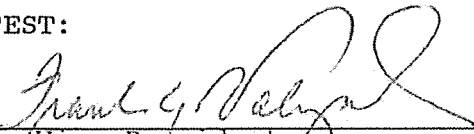
RESOLVED, that Article IV, Section 6 of the Bylaws of the Corporation shall be amended to reflect that the fiscal year of the Corporation shall begin on the first day of July each and every year and end on the thirtieth day of June of the following year.

PASSED AND APPROVED this 30th day of June, 1993.

PIMA COUNTY, ARIZONA MUNICIPAL
PROPERTY CORPORATION

By 
Its: President

ATTEST:

By 
Its: Vice President