

MEMORANDUM

DATE: August 27, 2015

TO: Board of Directors, Phoenix IDA

FROM: Don Keuth, Nominating Committee Chair

SUBJECT: Election of 2016 Officers at the October 8, 2015 Board Meeting

President Tommy Espinoza has appointed me to serve as the Chair of the Nominating Committee for purposes of this year's Election of officers. Mr. Mosby and Ms. Marian Yim will assist me as members of the Nominating Committee. This memorandum is intended to outline the process in preparation for the Phoenix IDA's Election of officers for the 2016 calendar year.

On **October 8, 2015**, the Phoenix IDA will hold its annual meeting, at which time you will be asked to elect new officers (President, Vice President, Treasurer and Secretary). As provided in the Phoenix IDA's Bylaws (of which a copy of the relevant portion is enclosed), the following procedures will govern the election of officers for the 2016 calendar year:

1. *Selection of Nominees.* All nominations (including self-nominations) will be made prior to the election for each position by completion of the enclosed Certificate of Nomination. A description of officers is enclosed for your review to assist in the decision to select a nominee. All current members of the Board are eligible to serve as officers.

Enclosed is a form of a Certificate of Nomination. Please complete one Certificate of Nomination for each director you would like to nominate for a particular office. Please return each Certificate of Nomination with your selected nominee to the Phoenix IDA's Nominating Committee, care of Juan Salgado, Executive Director, via (i) electronic mail at jsalgado@phoenixida.com, or (ii) facsimile at (602) 495-5605 or (iii) in person at the Phoenix IDA's offices, 251 West Washington Street, 9th Floor, Phoenix, Arizona, 85003, no later than **5 p.m., September 14, 2015**. For self-nominations, please make sure to accept the nomination by signing the Certificate of Nomination. Additionally, the candidate or the nominating board member on behalf of the candidate should complete the section on the Certificate of Nomination that requests a brief statement regarding why a candidate is suited for the office and how the candidate will fulfill the office's duties.

2. *Acceptance by Nominees.* Each nomination must be accepted by the nominee to ensure the nominee is able to commit the time required by a particular office. The enclosed description of officers contains estimated time commitments for each office to assist in the decision to accept a nomination. Each nominee will be asked to accept a nomination by signing the Certificate of Nomination.
3. *List of Candidates for Each Office.* As set forth in the Phoenix IDA's Bylaws, the Nominating Committee will reduce the list of candidates for each office to writing along with a summary of each statement regarding the candidate. The list of candidates and summary of statements for each office will be distributed to all directors by **September 24, 2015**, as all Certificates of Nomination have been accepted or declined by each nominee.

4. *Vote by Ballot.* The election of officers will take place by ballot as the last agenda item at the **October 8, 2015, 3:30 p.m.** annual meeting, located at **Phoenix City Hall, 200 W. Washington Street, Assembly Room B, Phoenix, Arizona.** Starting with the office of President and continuing with the offices of Vice President, Secretary, and Treasurer, each director may write his or her vote on a ballot for the particular office. The President will count the ballots, verify the count with Legal Counsel and announce the votes for each nominee. All votes will be a matter of public record and will be recorded in the minutes of the meeting. The candidate selected for the particular office will be announced, and the next office will be voted upon in the same manner until all officers are elected. If any individual receives the votes of a majority of those directors present and entitled to vote, that individual will be elected. If no one receives a majority of the votes, a second vote will be required, and so on.

While Arizona statutes do not expressly prohibit an individual from voting for himself or herself in an election of officers, case law from other jurisdictions suggests that such voting could jeopardize the election if the individual casts the deciding vote. To avoid any possible question as to the validity of the elections and any bonds subsequently issued by the Phoenix IDA, our Legal Advisor has taken the position that a nominee should not vote for himself or herself. In addition, if a nominee does not vote for the office for which he or she has been nominated, but stays in the room, he or she will be counted as present and entitled to vote because that person could vote for another candidate. If the nominee leaves the room during the vote for that office, he or she will not be counted as among those present and entitled to vote.

Attached is a current list of the directors with home and business contact information for your reference. Please keep in mind that all communications (including email communications) among members of the Board should be in compliance with Arizona's open meeting laws. Arizona's open meeting laws prohibit discussions, deliberations and actions by a quorum of the Board outside of a properly noticed public meeting. These prohibitions include serial communications with enough Board members to constitute a quorum, or polling of enough Board members to constitute a quorum even though, in each individual instance, the communication may be with less than a quorum of the Board. If you have any questions before the meeting, please feel free to call me at (602) 625-8900 or Juan Salgado at (602) 262-7304.

Enclosures: Phoenix IDA By-Laws – relevant portions
Certificate of Nomination
Officer Descriptions
Director Contact List

Copies to: Juan Salgado, Executive Director
C.W. Ross, Legal Advisor

SECOND AMENDED AND RESTATED
BYLAWS
OF
THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF PHOENIX, ARIZONA
(As Amended by the Authority through February 10, 2011
and approved by City Council effective March 23, 2011)

[...]

SECTION 3

OFFICERS

3.1 Designation of Titles. The officers of the corporation shall be chosen by the board of directors and shall be a president, a vice president, a secretary and a treasurer. The board of directors may also choose additional vice presidents, and one or more assistant secretaries and assistant treasurers. Any number of offices, except the offices of president and secretary, may be held by the same person.

3.2 Appointment of Officers. The board of directors at its annual meeting shall choose a president, one or more vice presidents, a secretary, and a treasurer, each of whom shall serve at the pleasure of the board of directors. The board of directors at any time may appoint such other officers and agents as it shall deem necessary who shall hold their offices at the pleasure of the board of directors and who shall exercise such powers and perform such duties as shall be determined from time to time by the board.

3.3 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the board of directors at any time.

3.4 President. The president shall preside at all meetings of the board of directors. The president shall sign all deeds and conveyances, all contracts and agreements, and all other instruments requiring execution on behalf of the corporation, and shall act as operating and directing head of the corporation, subject to policies established by the board of directors.

3.5 Vice Presidents. There shall be as many vice presidents as shall be determined from time to time and they shall perform such duties as may be from time to time assigned to them. Any one of the vice presidents, as authorized by the board, shall have all the powers and perform all the duties of the president in case of the president's temporary absence or inability to act. In case of the president's permanent absence or inability to act, the office shall be declared vacant by the board of directors and a successor chosen by the board.

3.6 Secretary. The secretary shall see that the minutes of all meetings of the board of directors and of any standing committees are kept. The secretary shall give or cause to be given required notices of all meetings of the board of directors. The secretary shall have charge of all the books and records of the corporation except the books of account and in general shall

perform all the duties incident to the office of secretary of a corporation and such other duties as may be assigned to him or her.

3.7 Treasurer. The treasurer shall have general custody of all of the funds and securities of the corporation except such as may be required by law to be deposited with any state official; the treasurer shall see to the deposit of the funds of the corporation in such bank or banks as the board of directors may designate. Regular books of account shall be kept under the treasurer's direction and supervision, and the treasurer shall render financial statements to the president and directors at proper times. The treasurer shall have charge of the preparation and filing of such reports and financial statements and returns as may be required by law.

[...]

3.10 Nominating Committee. A Nominating Committee shall be appointed to assist in the appointment of the officers of the corporation's board of directors pursuant to Section 3.2 of these Bylaws. The Nominating Committee will consist of not less than 3 directors appointed by the then current president of the board of directors. The duties of the Nominating Committee will include:

- a. Explaining the roles and obligations of each office to candidates for office;
- and
- b. Accepting a listing of nominations and self-nominations for each office, which would include from each candidate (i) a brief statement as to why the particular candidate would be suited for the office, (ii) an affirmation to commit the time necessarily required by each office, and (iii) a brief statement as to how the candidate would go about fulfilling the duties of the office.

The list of candidates will be reduced to writing and distributed to all directors not less than two weeks prior to the meeting at which the appointment of officers will take place.

At the meeting at which the appointment of officers is conducted, the Nominating Committee will present the candidates, and at the pleasure of the board of directors, each candidate may make a brief statement as to their candidacy, after which the board of directors will proceed with the appointment.

CERTIFICATE OF NOMINATION

The Candidate listed below hereby certifies to the Nominating Committee of The Industrial Development Authority of the City of Phoenix, Arizona his or her acceptance of the following nomination for the following office. The Candidate can accept more than one nomination for more than one office, but must certify his or her acceptance of each nomination in separate certificates.

1. Name of the Candidate nominated for office (may include self-nominations):

2. Office for which the Candidate is being nominated:

3. Below is a brief statement as to why the particular Candidate would be suited for the office (the Candidate or the nominating Board Member should complete):

4. Below is a brief statement as to how the Candidate would go about fulfilling the duties of the office (the Candidate or the nominating Board Member should complete):

5. Name of the Board Member nominating the Candidate (includes self-nominations) for office:

ACCEPTANCE:

By signing below, the Candidate accepts the nomination and affirms to commit the time necessarily required by the office, as detailed in the description of officers.

Candidate for Office

Date

DESCRIPTION OF OFFICERS

1. Powers and Duties (Appointment of Officers).

It shall be the duty of the board of directors to control and manage the property and business of the corporation and to appoint from its own membership the officers of the corporation to serve at the pleasure of the board. Generally, and without limitation, the board shall have the power and shall operate the business of the corporation in a prudent and careful manner in the best interests of the purposes of the corporation.

2. Designation of Titles.

The officers of the corporation shall be chosen by the board of directors and shall be a president, a vice president, a secretary and a treasurer. The board of directors may also choose additional vice presidents, and one or more assistant secretaries and assistant treasurers. Any number of offices, except the offices of president and secretary, may be held by the same person.

3. Appointment of Officers.

The board of directors at its annual meeting shall choose a president, one or more vice presidents, a secretary and a treasurer each of whom shall serve at the pleasure of the board of directors. The board of directors at any time may appoint such other officers and agents as it shall deem necessary (*as proposed by the Nominating Committee*) who shall hold their offices at the pleasure of the board of directors and who shall exercise such powers and perform such duties as shall be determined from time to time by the board.

4. Nominating Committee.

A Nominating Committee shall be appointed to assist in the appointment of the officers of the corporation's board of directors pursuant to Section 3.2 of the Second Amended and Restated Bylaws. The Nominating Committee will consist of not less than 3 directors appointed by the then current president of the board of directors. The duties of the Nominating Committee will include:

- a. Explaining the roles and obligations of each office to candidates for office; and
- b. Accepting a listing of nominations and self-nominations for each office, which would include from each candidate (i) a brief statement as to why the particular candidate would be suited for the office, (ii) an affirmation to commit the time necessarily required by each office, and (iii) a brief statement as to how the candidate would go about fulfilling the duties of the office.

The list of candidates will be reduced to writing and distributed to all directors not less than two weeks prior to the meeting at which the appointment of officers will take place.

At the meeting at which the appointment of officers is conducted, the Nominating Committee will present the candidates, and at the pleasure of the board of directors, each candidate may make a brief statement as to their candidacy, after which the board of directors will proceed with the appointment.

5. President.

The president shall preside at all meetings of the board of directors. The president shall sign all deed and conveyances, all contracts and agreements, and all other instruments requiring execution on behalf of the corporation, and shall act as operating and directing head of the corporation, subject to policies established by the board of directors. Section 3.4 of the Second Amended and Restated Bylaws.

The president must be available to execute such documents as are required for the closing of each transaction approved by the board of directors. As operating and directing head of the corporation, the president, with the assistance of legal counsel, will set the agenda for each board of directors' meeting and decide whether or not to hold special meetings. The office of the president involves a time commitment of a minimum of 12 hours per month.

6. Vice President(s).

There shall be as many vice presidents as shall be determined from time to time and they shall perform such duties as may be from time to time assigned to them. Any one of the vice presidents, as authorized by the board, shall have all the powers and perform all the duties of the president in case of the president's temporary absence or inability to act. In case of the president's permanent absence or inability to act, the office shall be declared vacant by the board of directors and a successor chosen by the board. Section 3.5 of Second Amended and Restated Bylaws.

The office of the vice president could involve a time commitment of a minimum of 4 hours per month.

7. Secretary.

The secretary shall see that the minutes of all meetings of the board of directors and of any standing committees are kept. The secretary shall give or cause to be given required notices of all meetings of the board of directors. The secretary shall have charge of all the books and records of the corporation except the books of account and in general shall perform all the duties incident to the office of secretary of a corporation and such other duties as may be assigned to him or her. Section 3.6 of the Second Amended and Restated Bylaws.

The secretary must be available to execute such documents as are required for the closing of each transaction approved by the board of directors. The office of the secretary involves a time commitment of a minimum of 6 hours per month.

8. Treasurer.

The treasurer shall have general custody of all of the funds and securities of the corporation except such as may be required by law to be deposited with any state official; the treasurer shall see to the deposit of the funds of the corporation in such bank or banks as the board of directors may designate. Regular books of account shall be kept under the treasurer's direction and supervision, and the treasurer shall render financial statements to the president and directors at proper times. The treasurer shall have charge of the preparation and filing of such reports and financial statements and returns as may be required by law. Section 3.7 of the Second Amended and Restated Bylaws.

The treasurer must be available to execute all such instruments as are required and approved by the board of directors. The office of the treasurer involves a time commitment of a minimum of 6 hours per month.