

BYLAWS
OF
THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF SCOTTSDALE, ARIZONA

ARTICLE I

Offices

Section 1.1 Principal Office. The principal office of the Authority shall be located at 7333 Scottsdale Mall, City of Scottsdale, Maricopa County, Arizona.

The Authority may have such other offices, either within or without the State of Arizona, as the Board of Directors may designate when so authorized to do by the Legislature of the State of Arizona, or as the business of the Authority may require from time to time.

ARTICLE II

Board of Directors

Section 2.1 General Powers. The business and affairs of the Authority shall be managed by its Board of Directors.

Section 2.2 Number. The number of Directors of the Authority shall be not less than three (3) nor more than nine (9), and shall be elected by the Mayor and Council of the City of Scottsdale as follows: the Mayor and Council of the City of Scottsdale, Arizona, shall divide the directors into three (3) groups containing as nearly equal whole numbers as possible. The first term of the directors included in the first group shall be two (2) years. The first term of directors in the second group shall be four (4) years and the first term of the directors in the third group shall be six (6) years. Upon expiration of each initial term, successor directors shall be elected by the Mayor and Council of the City of Scottsdale, Arizona, for a period of six (6) years.

Section 2.4 Organizational Meeting. The organizational meeting of the Board of Directors shall be held at such place and at such time as shall be determined by the directors.

Section 2.5 Annual Meetings. The annual meeting of the Board of Directors shall be held at the principal office of Authority on the second Wednesday of June of each year, at 3:00 p.m., commencing in 1985, if not a legal holiday, and if a legal holiday, then on the next succeeding day not a legal holiday, for

the purpose of examining the financial reports of the Authority and the transaction of any other business as may be brought before the meeting. Notice of the annual meeting shall be mailed by the Secretary at least ten (10) days prior to the meeting, to each director at his address as the same may appear on the books of the Authority. Nevertheless, a failure to mail such notice, or any illegality in such notice or in mailing or giving thereof, shall not affect the validity of any annual meeting or of any of the proceedings at such meeting. At such meeting a full statement of the condition of the Authority shall be presented by the President.

Section 2.6 Regular Meetings. The Board of Directors may establish a schedule of regular meetings to be held at such place, time, and date as the Board of Directors may designate. Notice of such regular meetings shall nevertheless be given to each director personally or by mail, telephone or telegraph, at least five (5) days prior to the date named for such meeting. Initially, the Board of Directors shall meet on the second Wednesday of each month at 3:00 o'clock P.M. at such place as shall be designated by the Board of Directors.

Section 2.7 Special Meetings. Special meetings of the Board of Directors may be called by the President of the Authority or by any two (2) members of the Board of Directors on twenty four (24) hours notice to the public and to each director, the latter to be given notice personally or by mail, telephone or telegraph, which notice shall state the time, place and date of the meeting. The special meetings shall be held at the same place provided for regular meetings of the Board of Directors, if practicable.

Section 2.8 Open Meetings. Any meeting held by the Board of Directors for any purpose whatsoever shall be held in accordance with Arizona Revised Statutes § 38-431 et seq., as and if amended.

Section 2.9 Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there should be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 2.10 Removal of Directors. Any one (1) or more of the directors may be removed with or without cause by the affirmative act of the Council of the City of Scottsdale, Arizona.

Section 2.11 Resignation of Directors. Any director may resign at any time by sending written notice of such resignation to the office of the Authority, delivered to the Secretary. Unless otherwise specified therein, such resignation shall take effect upon receipt by the Secretary. Except in the case of injury, illness or similar circumstances, more than three (3) consecutive absences from regular meetings of the Board of Directors shall automatically constitute a resignation to be effective as of the conclusion of the last missed meeting.

Section 2.12 Vacancies on Board of Directors. If the office of any director or directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office, disability, expiration of a director's term, or otherwise, the Mayor and Council of the City of Scottsdale, Arizona, shall choose a successor or successors, who shall hold office for the balance of the unexpired term, unless otherwise required by law.

Section 2.13 Compensation. By resolution of the Board of Directors, the directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors, or any other meeting that the director may be requested to attend for and on behalf of the Authority, in the same manner as is provided for other state officers. No directors of the Authority shall serve in any other capacity with the Authority, other than as a corporate officer and no director shall be compensated for serving as a director or officer.

Section 2.14 Presumption of Assent. A director of the Authority who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as Secretary of the meeting immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of an action.

Section 2.15 Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board of Directors shall be deemed a waiver of notice by him of the time and place thereof, except where such attendance is for the purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE III

Officers

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Section 3.1 Elective Officers. The officers of the Authority shall be a President, Vice President, Secretary and Treasurer, and such other officers as may be determined by the Board of Directors from time to time, to perform such duties as may be designated by the Board of Directors. All officers of the Authority shall be members of the Board of Directors. Any person may serve in more than one (1) office of the Authority unless such may be contrary to the laws of the State of Arizona.

Section 3.2 Initial Election of Officers. At the first meeting of the members of the Board of Directors, members of the Board of Directors shall elect a President, Vice President, Secretary and Treasurer, who shall serve as the officers of the Authority until their successors are elected and qualified at the next following regular election.

Section 3.3 Regular Elections and Term of Office. The officers shall be elected by the Board of Directors at the annual meeting of the Board of Directors. Each officer shall hold office for one (1) year or until his successor shall have been elected and shall have qualified.

Section 3.4 Vacancies of Officers. A vacancy in any office because of death, resignation, retirement, disqualification, removal from office, disability or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3.5 Removal of Officers. Any officer elected by the Board of Directors may be removed, with or without cause, by the affirmative majority vote of the Board of Directors. Such removal shall be without prejudice to the contract rights as an employee, if any, of the officer so removed.

Section 3.6 Chairman of the Board of Directors. The Board of Directors may choose a Chairman of the Board of Directors. The Chairman of the Board of Directors, if one shall have been appointed and be serving, shall preside at all meetings of the Board of Directors and shall perform such other duties as may be, from time to time, assigned to the Chairman.

Section 3.7 President. The President shall be the chief executive officer of the Authority. Unless a Chairman of the Board of Directors shall have been appointed or, having been appointed, shall not be serving or shall be absent, the President shall preside at all meetings of the Board of Directors. The President may sign any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the Board of Directors to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board, or by these Bylaws, to some other officer or agent of the Authority, or shall be required by law to be otherwise signed or executed. The President shall perform all duties incident to the office of the President, and such other duties as may be prescribed by the Board of Directors from time to time.

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Section 3.8 Vice President. In the absence of the President, or in the event of his death, inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting shall have all the powers of, and be subject to, all the restrictions upon the President. The Vice President shall also perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 3.9 Secretary. The Secretary shall:

(A) Provide that the minutes of the meetings of the Board of Directors be kept, and shall maintain the same in one or more books provided for that purpose;

(B) See that all notices are duly given in accordance with these Bylaws, or as required by law;

(C) Keep custody of the corporate records and execute such documents on behalf of the Authority as is duly authorized in accordance with the provisions of these Bylaws;

(D) Maintain a register of the names and post office addresses of all members of the Board of Directors;

(E) Have general charge of the records of the Authority;

(F) Maintain on file at all times a complete copy of the Articles of Incorporation and Bylaws of the Authority, containing all amendments thereto, if any, and, at the expense of the Authority, forward a copy of the Bylaws and the Articles of Incorporation, to each member of the Board of Directors;

(G) Forward a copy of the Bylaws, minutes, and all documents of the Authority to the Mayor and Council of the City of Scottsdale, Arizona; and

(H) In general, perform all duties incident to the office of Secretary, and such other duties as from time to time may be assigned to the Secretary by the Board of Directors.

Section 3.10 Treasurer. The Treasurer shall:

(A) Have charge and custody of, and be responsible for, all funds and securities of the Authority;

(B) Be responsible for the receipt of, and the issuance of, receipts for all monies due and payable to the Authority and for the deposit of all such monies in

the name of the Authority, in such bank or banks as shall be selected in accordance with the provisions of these Bylaws; and

(C) In general, perform all the duties incident to the office of Treasurer, and such other duties as from time to time may be assigned to him by the Board of Directors.

Section 3.11 Bonds of Officers. The Board of Directors shall require all officers and employees of the Authority handling or responsible for the custody of any of its funds or property furnish adequate fidelity bond or other coverage. The premiums on such bonds or coverage shall be paid by the Authority.

Section 3.12 Compensation. By resolution of the Board of Directors, the powers, duties and compensation of officers and employees of the Authority shall be fixed by the Board of Directors. The officers and employees may be paid their expenses, if any, of attendance at any meeting that the officers and employees may be requested to attend for and on behalf of the Authority, in the same manner as is provided for other state officers.

ARTICLE IV

Administrator, Legal Counsel, Financial Consultant

The Administrator, Legal Counsel and Financial Consultant shall be appointed by the Board of Directors and shall be reviewed as often as deemed necessary by the Board of Directors.

ARTICLE V

Indemnification

The Authority shall indemnify any and all of its directors, officers, or former directors or officers against any and all expense incurred by them and each of them, including, but not limited to, legal fees, judgments or penalties which may be incurred, rendered or levied against any such person while acting within the scope of his authority as a director or officer of this Authority, provided that the Board of Directors shall determine in good faith that such person did not act, fail to act, or refuse to act willfully or with gross negligence or with fraudulent or criminal intent in regard to the matters involved in this action.

ARTICLE VI

Dissolution

Whenever the Board of Directors of the Authority, by resolution, shall determine that the purpose for which the Authority was formed have been substantially complied with, and that all bonds theretofore issued, and all obligations theretofore incurred by the Authority have been fully paid, the members of the Board of Directors of the Authority shall thereupon dissolve the Authority in accordance with the provisions of Title 10 of the Arizona Revised States, as amended.

ARTICLE VII

Financial Transactions

Section 7.1 Contracts. Except as otherwise provided in these Bylaws, the Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract, or execute and deliver any instrument in the name of, and on behalf of, the Authority; and such authority may be general or confined to specific instances.

Section 7.2 Checks, Drafts, Etc. All checks, drafts or other orders for payment of money, and all notes, bonds, or other evidences of indebtedness issued in the name of the Authority, shall be signed by such officer or officers, agent or agents, employee or employees, of the Authority, and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 7.3 Deposits. All funds of the Authority shall be deposited from time to time to the credit of the Authority in such bank or banks as the Board of Directors may select.

Section 7.4 Loans. No loans shall be contracted on behalf of the Authority and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 7.5 Fiscal Year. The fiscal year of the Authority shall begin on the first day of July of each and every year and shall end on the last day of June.

Section 7.6 Audit. The books of the Authority shall be audited by a competent bookkeeper, certified public accountant, or other person agreed upon and designated to perform such a purpose. The audit shall be conducted at the expense of the Authority.

ARTICLE VIII

Nonprofit Authority

The Authority shall at all times be operated on a nonprofit basis, and no part of the income or assets of the

Authority shall be distributed to, or insure to the benefit of, any officer or director.

ARTICLE IX

Application Procedures and Fees

Section 9.1 Application Procedure. The procedures to be followed for the purpose of applying to the Authority for the issuance of bonds shall be established in a manual for that purpose. The manual shall be available to the public upon payment of the fees set by the Board of Directors. No application shall be accepted unless it meets the requirements indicated in the manual.

Section 9.2 Fees. The Board of Directors may establish fees to be paid by applicants. No action may be taken by the Board of Directors or any application until all fees are paid by that applicant.

ARTICLE X

Disclosure of Interest

All directors shall declare any conflict of interest as provided in Arizona Revised Statutes § 38-501, et. seq., as amended.

ARTICLE XI

Amendment

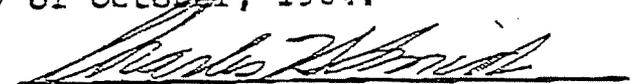
Except to the extent that the right to amend the Bylaws of this Authority is limited and restricted by resolution of this Authority, these Bylaws may be altered, amended, or repealed by the affirmative vote of two-thirds (2/3) of the directors present at any regular or special meeting, provided a quorum as provided in these Bylaws be present, and provided the notice of such meeting shall have contained a copy of the proposed alteration, amendment or repeal.

ARTICLE XII

Rules and Regulations

The Board of Directors shall cause to be established and maintained such rules and regulations as it seems necessary for the operation of the Authority, including but not limited to an appropriate accounting system.

ADOPTED BY the Board of Directors of THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF SCOTTSDALE, ARIZONA, at Scottsdale, Arizona, this 22nd day of October, 1984.


President


Secretary

FIRST AMENDMENT TO BYLAWS
OF
THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE
CITY OF SCOTTSDALE, ARIZONA

THIS FIRST AMENDMENT is made this 27th day of September, 1994, by THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF SCOTTSDALE, ARIZONA, an Arizona nonprofit corporation designated a political subdivision of the State of Arizona ("Authority").

I. Recitals

- 1.1 The Authority has adopted those Bylaws, dated October 22, 1984 (the "Bylaws").
- 1.2 The Authority desires to amend certain provisions of the Bylaws on the terms and conditions set forth herein.

II. Terms and Conditions

NOW, THEREFORE, the Bylaws are hereby amended as follows:

- 2.1 Removal of Directors. Section 2.10 of the Bylaws is hereby amended to read as follows:

"Section 2.10 Removal of Directors. Any one (1) or more of the directors may be removed with cause by the affirmative act of the Council of the City of Scottsdale, Arizona."

- 2.2 Defined Terms. All terms used herein but not defined shall have the meanings assigned thereto in the Bylaws.
- 2.3 Conflict. In the event of any conflict between the terms and provisions of this First Amendment and the Bylaws, the terms and conditions of this First Amendment shall govern and control. Except as otherwise provided in this First Amendment to the contrary, the terms and provision of the Bylaws shall remain in full force and effect.

IN WITNESS WHEREOF, the Authority has executed this First Amendment on the day and year first set forth above.

THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE CITY OF
SCOTTSDALE, ARIZONA, an
Arizona nonprofit corporation
designated a political
subdivision of the State of
Arizona

By: Kenneth R. Harder
Kenneth R. Harder

Its: President

By: 
Quinn P. Williams

Its: Secretary