



# *Resolution*

OFFICE OF THE  
MAYOR  
CITY OF SAN LUIS

## RESOLUTION NO. 434

A Resolution of the Mayor and Council of the City of San Luis, Arizona Approving the Application for Incorporation of An Industrial Development Authority of the City of San Luis, Arizona; Approving Articles of Incorporation; Appointing Incorporators; Authorizing the Election of the First Board of Directors; and Declaring an Emergency

Whereas, an application for permission to apply for the incorporation of an industrial development board of the City of San Luis, Arizona under Title 35, Chapter 5, §§35-701, et seq., Arizona Revised Statutes, and Title 10, Chapter 22, §§10-2301, et seq., Arizona Revised Statutes, having been filed with the City of San Luis, Arizona; and

Whereas, the Mayor and Council of the City of San Luis, Arizona has, by this resolution, found it to be wise, expedient, necessary, advisable, and in the best interests of the citizens of the City of San Luis, Arizona that such a corporation be formed;

NOW THEREFORE BE IT RESOLVED, by the Mayor and Council of the City of San Luis, State of Arizona, as follows:

Section 1: That the application for permission to apply for the incorporation of an industrial development board of the City of San Luis, Arizona is hereby approved.

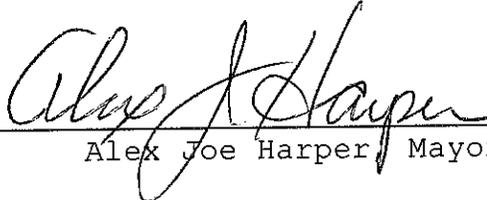
Section 2: That Rosa I. Hernandez, Irma Rios and Ivone B. Jackson be, and they are hereby, authorized to make application to form a corporation pursuant to and as proscribed by Title 35, Chapter 5, §§35-701, et seq., Arizona Revised Statutes, and Title 10, Chapter 22, §§10-2301, et seq, Arizona Revised Statutes, and a copy of the proposed Articles of Incorporation, which is attached hereto as Exhibit "A", is hereby approved.

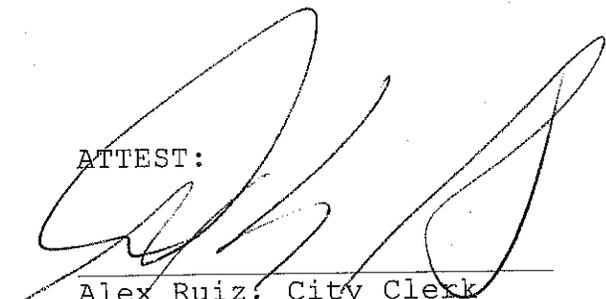
Section 3: That the name of said corporation shall be "The Industrial Development Authority of the City of San Luis, Arizona."

Section 4: That upon presentation to the Mayor and City Council of the City of San Luis, Arizona, of the Certificate of Incorporation for the Industrial Development Authority of the City of San Luis, Arizona, the Mayor and City Council shall by resolution elect the first Board of Directors of said corporation.

Section 5: Whereas, it is necessary for the preservation of the peace, health, safety and welfare of the City of San Luis, Arizona, an emergency is declared to exist, and this resolution shall become immediately operative and in force from and after the date of posting hereof.

PASSED AND ADOPTED by the Mayor and Common Council of the City of San Luis, Arizona, this 11 day of October, 2000.

  
\_\_\_\_\_  
Alex Joe Harper, Mayor

ATTEST:  
  
\_\_\_\_\_  
Alex Ruiz, City Clerk

APPROVED AS TO FORM:  
  
\_\_\_\_\_  
Gerald W. Hunt  
City Attorney

**ARTICLES OF INCORPORATION**  
**OF**  
**THE INDUSTRIAL DEVELOPMENT AUTHORITY**  
**OF THE CITY OF SAN LUIS, ARIZONA**

a political subdivision of the State of Arizona.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, whose names and addresses are hereinafter set forth, each of whom are electors of the City of San Luis, Yuma County, Arizona, have this day associated ourselves for the purpose of forming an Industrial Development Authority under the laws of the State of Arizona, and for that purpose do hereby adopt the following Articles of Incorporation:

ARTICLE I.

The name of this corporation shall be The Industrial Development Authority of the City of San Luis, Arizona and the location of its principal place of business shall be 23222 First Street in the City of San Luis, Yuma County, Arizona, but the corporation may have other offices within the State of Arizona as shall be fixed by the Board of Directors from time to time.

ARTICLE II.

The names, residences, and post office addresses of the incorporators, each of whom is a qualified elector of the City of San Luis, Yuma County, Arizona, are as follows:

<u>NAME</u>	<u>RESIDENCE</u>	<u>POST OFFICE ADDRESS</u>
Rosa I. Hernandez	1090 5 <sup>th</sup> Drive, San Luis, Arizona	PO Box 7296 San Luis, Arizona 85349
Irma Rios	10275 Kennedy Lane San Luis, Arizona	PO Box 3132 San Luis, Arizona 85349
Ivone B. Jackson	22469 La Madera Drive San Luis, Arizona	PO Box 7155 San Luis, Arizona 85349

ARTICLE III.

This Authority shall serve a public purpose and shall perform an essential governmental function. The purposes for which this corporation is formed are:

1. To acquire, own, construct, lease, sell, and dispose of all kinds of properties;
2. To promote industry and develop trade by inducing manufacturing, industrial, and commercial enterprises to locate and remain in the City of San Luis, Arizona;
3. To stimulate and encourage the production, development, and use of the agricultural products and natural resources of the City of San Luis, Arizona;
4. To assist, financially and otherwise, in the rehabilitation, expansion, and development of all kinds of businesses and industries in the City of San Luis, Arizona, which will reduce pollution, promote and assure job opportunities, and promote and assure an improved standard of living and an increase in prosperity and health;
5. To make secured or unsecured loans for the purpose of financing or refinancing the acquisition, construction, improvement, or equipping of pollution control facilities;

6. To do any and all things as provided by Title 35, Chapter 5, Sections 35-701 *et seq.*, as amended, Arizona Revised Statutes.

#### ARTICLE IV.

This authority is a political subdivision of the State of Arizona and in addition to the powers granted to such authority by law, the authority shall have the following powers, together with all powers incidental thereto or necessary for the performance of the following:

1. To acquire, whether by purchase, exchange, gift, lease, or otherwise establish, construct, improve, maintain, equip, and furnish one or more projects, as the term "Project" is defined from time to time under Title 35, Chapter 5, Sections 35-701, *et seq.*, Arizona Revised Statutes.

2. To lease to others any or all of its projects and to charge and collect rent therefor, and to terminate any such lease upon the failure of the lessee to comply with any of the obligations thereof.

3. To sell, exchange, donate, and convey to others any or all of its projects or properties upon such terms and conditions as its Board of Directors may deem advisable, including the power to receive for any such sale the note or notes of the purchaser of the project or property, whenever its Board of Directors finds any such action to be in furtherance of the purposes for which the authority was organized.

4. To issue its bonds for the purpose of carrying out any of its powers. The authority shall have the power to issue bonds whether or not the interest on such bonds

is to be excluded from the gross income of the owners thereof for purposes of federal income taxation.

5. To mortgage and pledge any or all of its projects and properties or any part or parts thereof, whether then owned or thereafter acquired, and to pledge the revenues, proceeds, and receipts or any portion thereof from a project as security for the payment of the principal of and interest on any bonds so issued and any agreements made in connection therewith.

6. To contract with and employ others to provide and pay compensation for professional services and other services as the Board of Directors shall deem necessary for the financing of projects and for the business of the authority.

7. To refund outstanding obligations incurred by an enterprise to finance the cost of a project when the Board of Directors finds that such refinancing is in the public interest.

8. To invest and reinvest funds under the control of the authority and bond proceeds pending application thereof to the purposes for which such bonds were issued, subject only to the provisions of any bond resolution, lease, or other agreement entered into by the Board of Directors.

9. To make secured or unsecured loans for the purpose of financing or refinancing the acquisition, construction, improvement, or equipping of a project, and to charge and collect interest on such loans and pledge the proceeds of loan agreements as security for the payment of the principal and interest of any bonds, or designated issues of bonds, issued by the authority, and any agreements made in connection therewith,

whenever the Board of Directors finds such loans to be in furtherance of the purposes of the authority or in the public interest.

10. To acquire and hold obligations of any kind to carry out any of its purposes.

11. To enter into contracts and execute any agreements or instruments and do any other act necessary or appropriate to carry out its purposes.

12. The authority shall not have the power to operate any project as a business other than as lessor or seller and shall not permit any funds derived from the sale of its bonds to be used by the lessee or purchaser of a project as working capital.

13. In general, and subject to such limitations and conditions as are or may be prescribed by law, to exercise such other powers which are now or hereafter may be conferred by law upon an authority organized for the purposes hereinabove set forth, or necessary or incidental to the powers to be conferred, or conducive to the attainment of the purposes of the authority.

14. To do and perform all and everything necessary, suitable, proper, or convenient for the accomplishment of any of the objects or the furtherance of any of the powers hereinbefore set forth, and to do every other act or acts, thing or things, incident or pertinent to or growing out of or connected with the aforesaid object and purposes or any part or parts thereof, the same as a natural person could do providing same be not inconsistent with the laws under which this authority is organized.

#### ARTICLE V.

The authority shall be a non-profit corporation and no part of its net earnings remaining after payment of its expenses shall inure to the benefit of any individual, firm,

or corporation, except such reasonable compensation as may properly be paid for services rendered to the authority, and no dividends or other pecuniary profits may be declared for the benefit of any director or other individual, and no director or officer shall be entitled to participate for profit in any transaction with the authority except as hereinabove provided. No part of the activities of this authority shall be devoted to carrying on propaganda for or otherwise attempting to influence legislation and this authority shall not participate in or intervene in any political campaign on behalf of any candidate for public office.

#### ARTICLE VI.

The authority shall have a Board of Directors in which all powers of the authority shall be vested and which shall consist of any number of directors not less than three nor more than nine, all of whom shall be qualified as provided by law. The directors shall serve as such without compensation 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 directors shall be an officer or employee of the City of San Luis. No member of the board shall have any financial interest in any project or lessee of the authority. The directors shall be elected by the City Council of the City of San Luis, and they shall be so elected that they shall hold office for overlapping terms. At the time of the election of the first Board of Directors, the City Council of the City of San Luis shall divide the directors into three groups containing as nearly equal whole numbers as possible. The first term of the directors included in the first group shall be two years, the first term of the directors included in the second group shall be four years, the first term of the directors included in the third group shall be six years.

The affairs of the authority shall be conducted by the Board of Directors and such officers, including a president, vice-president, treasurer, secretary, and such other officers as the Board of Directors may elect or appoint. The Board of Directors shall have the power to adopt, amend, and rescind by-laws and to appoint an executive committee with such powers as the Board of Directors may, by resolution, delegate to such committee.

Meetings held by the Board of Directors for any purpose whatsoever shall be open to the public.

Pursuant to A.R.S. §10-2342.A.8., B., and D., as the same may be amended from time to time, the personal liability of each of the directors to the authority for monetary damages for breach of fiduciary duty as a director is hereby eliminated, subject to the provisions of A.R.S. §10-2342.A.8., B., and D., as the same may be amended from time to time.

#### ARTICLE VII.

The first Board of Directors of this authority shall be named by the City Council of the City of San Luis, Yuma County, Arizona, by resolution adopted as soon as convenient after the issuance of the Certificate of Incorporation, which resolution shall set terms of each director in the manner provided in ARTICLE VI above.

#### ARTICLE VIII.

The authority shall indemnify any and all of its directors and officers against all expenses incurred by them and each of them, including, but not limited to, legal fees, judgments, and penalties which may be incurred, rendered, or levied in any legal action brought against any of them for or on account of any action or omission alleged to have

been committed while acting within the scope of employment as a director or officer of the authority. Whenever any director or officer shall report to the president of the authority or the chairman of the Board of Directors that he has incurred or may incur, expenses, including, but not limited to legal fees, judgments, and penalties in a legal action brought or about to be brought against him for or on account of any action or omission alleged to have been committed by him while acting within the scope of his employment as a director or officer of the authority, the Board of Directors of the authority shall, at its next regular or at a special meeting held within a reasonable time thereafter, determine in good faith whether, in regard to the matter involved in the action or contemplated action, such person acted, failed to act, or refused to act wilfully, with gross negligence, or with fraudulent or criminal intent. If the Board of Directors determines in good faith that such person did not act, fail to act, or refuse to act wilfully or with gross negligence or with fraudulent or criminal intent in regard to the matter involved in the action or contemplated action, indemnification shall be mandatory and shall be automatically extended as specified herein, provided, however, that the authority shall have the right to refuse indemnification in any instance in which the person to whom indemnification would otherwise have been applicable shall have unreasonably refused to permit the authority, at its own expense and through counsel of its own choosing, to defend him in the action.

#### ARTICLE IX.

The City of San Luis shall not, in any event, be liable for the payment of the principal of, or interest on, any bonds of the authority, formed thereby or for the performance of any pledge, mortgage, obligation, or agreement of any kind whatsoever

which may be undertaken by the authority, and none of the bonds of the authority or any of its agreements or obligations shall be construed to constitute an indebtedness or obligation of the City of State of Arizona within the meaning of any constitutional or statutory provisions whatsoever.

#### ARTICLE X.

The 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 Certificate of Incorporation in the first instance, provided that the members of the Board of Directors of the authority first shall file with the City Council of the City of San Luis an application in writing seeking permission to amend the Articles of Incorporation, specifying in such application the amendment proposed to be made. The City Council shall consider such application and, if by resolution it finds and determines that 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 Articles in accordance with the provisions of Title 10, Arizona Revised Statutes.

#### ARTICLE XI.

The time of commencement of this authority shall be the date of the issuance to it of a Certificate of Incorporation by the Corporation Commission of the State of Arizona, and its existence shall be perpetual.

#### ARTICLE XII.

The private property of the officers and directors of this authority shall be exempt from liability for its debts and obligations.

ARTICLE XIII.

The affairs of this authority shall be conducted on a fiscal year basis. The fiscal year for this authority shall end on the 30th day of June of each year.

ARTICLE XIV.

Pursuant to Section 35-725, Arizona Revised Statutes, bonds issued under the provisions of Title 35, Chapter 5, Arizona Revised Statutes, as amended, shall be legal investments for all banks, trust companies, and insurance companies organized and operating under the laws of this State.

ARTICLE XV.

When the Board of Directors of the authority, by resolution, shall determine that the purposes 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.

ARTICLE XVI.

Gerald W. Hunt, 330 W. 24<sup>th</sup> Street, Yuma, Arizona 85364, who has been a bona fide, continuous resident of the State of Arizona for more than three (3) years last past, is hereby appointed the lawful statutory agent of this corporation for and on behalf of said corporation, to accept and acknowledge service of all necessary processes and for all

purposes required by law. The Board of Directors may, at their option, revoke such appointment and shall have the power to fill such vacancy.

ARTICLE XVII.

The highest amount of indebtedness or liability, direct or contingent, to which the authority is at any time to subject itself shall be as provided by law.

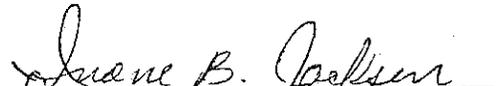
ARTICLE XVIII.

The incorporators herein received permission to organize the authority pursuant to Resolution No. 434, adopted and approved by the City Council of the City of San Luis, State of Arizona, on the 11th day of October, 2000, at a regular meeting of that governing body.

IN WITNESS WHEREOF, we, the undersigned, have signed our names this 12th day of October, 2000.

  
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Rosa I. Hernandez

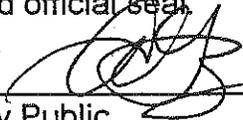
  
\_\_\_\_\_  
Irma Rios

  
\_\_\_\_\_  
Ivone B. Jackson

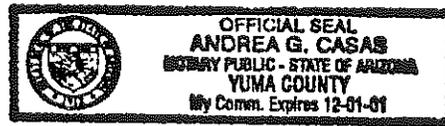
STATE OF ARIZONA     )  
  ) ss.  
County of Yuma         )

On this, the 12th day of October, 2000, before me, the undersigned Notary Public, personally appeared Ivone B. Jackson, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged that he/she executed the same for the purpose therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

  
\_\_\_\_\_  
Notary Public

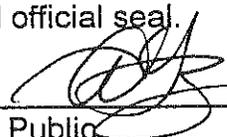
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12-01-01



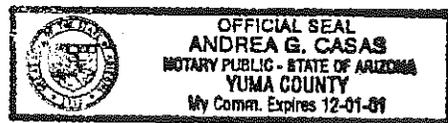
STATE OF ARIZONA     )  
  ) ss.  
County of Yuma         )

On this, the 12th day of October, 2000, before me, the undersigned Notary Public, personally appeared Rosa I. Hernandez, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged that he/she executed the same for the purpose therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

  
\_\_\_\_\_  
Notary Public

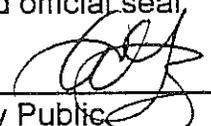
My commission expires:  
12-01-01



STATE OF ARIZONA     )  
  ) ss.  
County of Yuma         )

On this, the 12th day of October, 2000, before me, the undersigned Notary Public, personally appeared Irma Rios, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged that he/she executed the same for the purpose therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

  
\_\_\_\_\_  
Notary Public

My commission expires:  
12-01-01

