

RESOLUTION NO. VF CFD 2005-01

(VANDERBILT FARMS COMMUNITY FACILITIES DISTRICT)

A RESOLUTION OF THE DISTRICT BOARD OF VANDERBILT FARMS COMMUNITY FACILITIES DISTRICT TAKING CERTAIN ACTIONS WITH REGARD TO ORGANIZATION OF THE DISTRICT; APPROVING THE GENERAL PLAN FOR THE DISTRICT; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A DISTRICT DEVELOPMENT, FINANCING PARTICIPATION AND INTERGOVERNMENTAL AGREEMENT (VANDERBILT FARMS COMMUNITY FACILITIES DISTRICT); APPROVING THE PROPOSED BUDGET FOR THE DISTRICT FOR THE REMAINDER OF FISCAL YEAR 2004-05 AND AUTHORIZING THE GIVING OF NOTICE OF HEARING WITH RESPECT THERETO; APPROVING THE PREPARATION OF, AND AUTHORIZING THE GIVING OF NOTICE OF HEARING WITH RESPECT TO APPROVING, A FEASIBILITY REPORT WHICH INCLUDES IDENTIFYING THE PUBLIC INFRASTRUCTURE OF THE PROJECTS, THE AREAS TO BE BENEFITTED, THE EXPECTED METHOD OF FINANCING AND THE SYSTEM OF PROVIDING REVENUES TO OPERATE AND MAINTAIN THE PROJECTS, ALL AS PROVIDED IN SUCH REPORT AND ORDERING AND CALLING AN ELECTION WITH RESPECT TO ISSUANCE OF BONDS BY THE DISTRICT AND THE LEVY OF AN AD VALOREM PROPERTY TAX THEREFOR AND TO THE LEVY OF A SEPARATE AD VALOREM PROPERTY TAX ATTRIBUTABLE TO THE OPERATION AND MAINTENANCE EXPENSES OF THE DISTRICT

BE IT RESOLVED BY THE DISTRICT BOARD OF VANDERBILT FARMS COMMUNITY FACILITIES DISTRICT as follows:

1. Findings.

a. On April 19, 2005, the Mayor and Common Council of the Town of Marana, Arizona (hereinafter called the "Municipality"), adopted Resolution No. 2005-46 which, among other things, ordered and declared formation of Vanderbilt Farms Community Facilities District (hereinafter called the "District").

b. The District is a special purpose district for purposes of Article IX, Section 19, Constitution of Arizona, a tax levying public improvement district for the purposes of Article XIII,

Section 7, Constitution of Arizona, and a municipal corporation for all purposes of Title 35, Chapter 3, Articles 3, 3.1., 3.2, 4 and 5, Arizona Revised Statutes, as amended, and, except as otherwise provided in Section 48-708(B), Arizona Revised Statutes, as amended, is considered to be a municipal corporation and political subdivision of the State of Arizona, separate and apart from the Municipality.

c. Certain matters relating to the organization of the District must be determined by the district board of the District (hereinafter referred to as the "District Board").

d. There was filed with the Town Clerk of the Municipality the "general plan" for the District, which sets out a general description of the public infrastructure improvements for which the District was formed and the general areas to be improved (hereinafter referred to as the "General Plan").

e. Pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended (hereinafter referred to as the "Act"), and Section 9-500.05, Arizona Revised Statutes, as amended, the Municipality, the District, PEI Capital Corporation (hereinafter called "PEI Capital"), PEI Capital Venture I, LLC (hereinafter called "PEI Venture") and FCD Marana Venture I, LLC (hereinafter called "FCD Marana") are entering into a "development agreement" to specify, among other things, conditions, terms, restrictions and requirements for public infrastructure (as such term is defined in the Act) and the financing of public infrastructure and subsequent reimbursements or repayments over time.

f. With regard to the property which makes up the real property included within the District, the District, PEI Capital, PEI Venture and FCD Marana determined to specify some of such matters in such an agreement, particularly matters relating to the acquisition or construction of certain public infrastructure by the District, the acceptance by the Municipality or other appropriate political subdivisions and the reimbursement or repayment of PEI Capital, PEI Venture and FCD Marana with respect thereto, all pursuant to the Act.

g. Pursuant to the Act and Title 11, Chapter 7, Article 3, Arizona Revised Statutes, as amended, the District and the Municipality may enter into an "intergovernmental agreement" with one another for joint or cooperative action for services and to jointly exercise any powers common to them and for the purposes of the planning, design, inspection, ownership, control, maintenance, operation or repair of public infrastructure.

h. Pursuant to the Act, the District may also enter into an agreement with PEI Capital, PEI Venture and FCD Marana with respect to the advance of moneys for public infrastructure purposes and the repayment of such advances and to obtain credit enhancement for, and process disbursement and investment of proceeds of, the hereinafter-described Bonds.

i. There has been placed on file with the District Clerk of the District and presented to the district board of the District (hereinafter called the "District Board") in connection with the purposes described in paragraphs 1.e. through h. a District Development, Financing Participation and Intergovernmental Agreement

(Vanderbilt Farms Community Facilities District), to be dated as of April 1, 2005 (hereinafter referred to as the "Development Agreement"), by and among the Municipality, the District PEI Capital, PEI Venture and FCD Marana relating to, among other things, the Bonds.

j. Pursuant to Section 48-716, Arizona Revised Statutes, as amended, the District Chief Financial Officer has caused to be prepared for the District Board a proposed budget (including as part thereof an appropriate capital plan) for the fiscal year 2004-05 (hereinafter referred to as the "Proposed Budget") and has caused the Proposed Budget to be submitted to the District Board for approval. (Pursuant to Section 48-723(C), Arizona Revised Statutes, the Proposed Budget has been filed with the District Clerk.) A public hearing on the Proposed Budget will hereafter be held (hereinafter referred to as the "Budget Hearing"), after provision for publication of notice thereof as provided by law (hereinafter referred to as the "Budget Hearing Notice").

k. The District is authorized by Section 48-719, Arizona Revised Statutes, as amended, to sell and issue general obligation bonds of the District to provide moneys for public infrastructure purposes consistent with the General Plan and (2) by Section 48-709(F), Arizona Revised Statutes, as amended, to repay all or part of fees and charges collected from landowners for public infrastructure purposes, the advance of moneys by landowners for public infrastructure purposes or the granting of real property by the landowner for public infrastructure purposes from the proceeds of such bonds pursuant to agreements entered into with landowners and the Municipality.

pality pursuant to Section 48-709(A)(10), Arizona Revised Statutes, as amended.

1. Pursuant to Section 48-723, Arizona Revised Statutes, as amended, the District is authorized to levy an *ad valorem* tax on the assessed value of all real and personal property in the District at a rate which does not exceed the maximum rate specified in the ballot with respect thereto as hereinafter described, including taxes attributable to the operation and maintenance expenses of the District, but not in excess of thirty cents (30¢) per one hundred dollars (\$100) of such assessed valuation for such operation and maintenance.

m. Such bonds may not be issued and such tax may not be levied unless approved at an election ordered and called to submit to the qualified electors of the District or to those persons who are qualified to vote pursuant to Section 48-707(G), Arizona Revised Statutes, as amended (being, if no person has registered to vote within the District within fifty (50) days immediately preceding any scheduled election date, the owners of land within the District who are qualified electors of the State of Arizona and other landowners according to Section 48-3043, Arizona Revised Statutes, as amended) the question of authorizing the District Board to issue such bonds for such purposes (hereinafter referred to as the "Bonds") and to levy such tax (hereinafter referred to as the "Operation and Maintenance Expenses Tax").

n. Pursuant to Section 48-715, Arizona Revised Statutes, as amended, the District Board shall cause a report of the

feasibility and benefits of the projects relating to certain public infrastructure provided for in the General Plan and to be financed with proceeds of the sale of the first series of the Bonds to be prepared, such report having included a description of certain public infrastructure to be acquired and all other information useful to understand the projects, a map showing, in general, the location of the projects, an estimate of the cost to construct, acquire, operate and maintain the projects, an estimated schedule for completion of the projects, a map or description of the area to be benefitted by the projects and a plan for financing the projects (hereinafter referred to as the "Report"). A public hearing on the Report will hereafter be held (hereinafter referred to as the "Report Hearing"), after provision for publication of notice thereof as provided by law (hereinafter referred to as the "Report Notice").

2. District Officers and Consultants. The Mayor and the Vice Mayor of the Municipality are hereby appointed "Chairperson" and "Vice Chairperson," respectively, of the District Board; the Town Clerk of the Municipality is hereby appointed "District Clerk"; the Town Treasurer of the Municipality is hereby appointed "District Treasurer"; the Town Manager of the Municipality is hereby appointed "District Manager"; the Finance Director of the Municipality is hereby appointed "District Chief Financial Officer" and the Attorney of the Municipality is hereby appointed "District Counsel."

3. Posting of Notices. Statements of the District Manager directing where all public notices of the meetings of the District shall be posted in substantially the forms attached hereto and

marked as Exhibit "A" have been provided to those indicated therein and are hereby approved and ratified for all purposes thereof.

4. Approval of General Plan. The General Plan as previously submitted to the Town Clerk of the Municipality is hereby approved in all respects.

5. a. Approval of Development Agreement. The Development Agreement is hereby approved in substantially the form submitted herewith, with such changes, additions, deletions, insertions and omissions, if any, as the Chairperson of the District Board, with the advice of the District Manager and the District Counsel, shall authorize, the execution and delivery of the Development Agreement to be conclusive evidence of the propriety of such document and the authority of the person or persons executing the same.

b. Completion of Development Agreement. The District Manager or his or her designee is hereby authorized to complete the Development Agreement by including the appropriate materials as necessary therein.

c. Execution of Development Agreement. The Chairperson of the District Board, with the advice of the District Manager and the District Counsel, is hereby authorized and directed to execute, and the District Clerk to attest, the Development Agreement on behalf of the District.

6. a. Approval of Proposed Budget. The Proposed Budget submitted to the District Board and filed with the District Clerk is hereby approved.

b. Approval of Notice of Hearing on Budget. The Budget Hearing is hereby ordered as required by law, and the District Manager is hereby instructed to establish the date and time of such hearing and to cause the Budget Hearing Notice to be provided as required by law. The form of the Budget Hearing Notice attached hereto and marked Exhibit "B" is hereby approved in all respects as well as the publication thereof. (The District Manager is hereby authorized to complete the Budget Hearing Notice prior to its publication.)

7. a. Preparation of Report. The preparation of the Report is hereby approved. (Upon completion of a draft of the Report, the Report, marked in a conspicuous fashion "DRAFT," shall be submitted to the District Board for review and comment.)

b. Approval of Notice of Hearing on Report. The Report Hearing is hereby ordered as required by law, and the District Manager is hereby instructed to establish the date and time of such hearing and to cause the Report Hearing Notice to be provided by law. The form of the Report Hearing Notice attached hereto and marked as Exhibit "C" is hereby approved in all respects as well as the publication of the Report Hearing Notice and the mailing of the Report to the governing body of the Municipality. (The District Manager is hereby authorized to complete the Report Hearing Notice prior to its publication.)

8. a. Order and Call of Election. A special election be and the same is hereby ordered and called to be held on June 28, 2005, (hereinafter referred to as the "Election"), at which time there shall be submitted to those who will be qualified electors of the

District the question with respect to the Bonds and the Operations and Maintenance Expenses Tax set forth in the official ballot described in Section 8c. of this Resolution.

b. Posting and Publishing of Matters Relating to Election. The Election shall be called by posting notices in three (3) public places within the proposed boundaries of the District not less than twenty (20) days before the date of the Election in substantially the form hereto attached and marked Exhibit "D." Notice shall also be published in the *Daily Territorial*, a newspaper of general circulation in the Municipality, once a week for two consecutive weeks before the Election in substantially the form hereto attached and marked Exhibit "D."

c. Form of Ballot. The official ballot for the Election shall be in substantially the form hereto attached and marked Exhibit "E."

d. Polling Place. The polling place and the time the polls shall be opened and closed shall be as provided in Exhibit "D." While outside the boundaries of the District, the District Board hereby finds that such polling place is appropriate as it is the polling place for the precinct in which the area of the District is included for County-wide elections.

e. Affidavit of Landowners. Prospective electors voting in the Election shall execute an affidavit substantially in the form hereto attached and marked Exhibit "F."

f. Preparation of Ballots and Affidavits. The District Clerk is hereby authorized and directed to have printed and

delivered to the election officers at such polling places such ballots and, if necessary, such affidavits, to be by them furnished to the qualified electors of the District offering to vote at the Election, in substantially the forms as hereto attached and marked Exhibits "E" and "F."

g. Compliance with Voting Rights Act of 1965. In order to comply with the Voting Rights Act of 1965, as amended, the following shall be translated into Spanish and posted, published and recorded in each instance where posting, publication and recording of such proceedings are required, to wit: Exhibits "D," "E" and "F," all absentee/early voting materials and all instructions at the polls.

h. Applicable Law. The Election shall be held, conducted and canvassed in conformity with the provisions of the general election laws of the State of Arizona, except as otherwise provided by law, and only such persons shall be permitted to vote at the Election who are the qualified electors. Absentee/early voting shall be permitted in accordance with the provisions of Title 16, Chapter 4, Article 8, Arizona Revised Statutes, as amended.

i. Canvassing. Within fourteen (14) days after the date of the Election, the District Board shall meet and canvass the returns, and if a majority of the votes cast at the Election are in favor of issuing the Bonds and levying the Operations and Maintenance Expenses Tax, the District Board shall enter the fact on its minutes.

9. No Liability of or for the Municipality. Neither the Municipality nor the State of Arizona or any political subdivision of either (other than the District) shall be directly, indirectly or

morally liable or obligated for the payment or repayment of any indebtedness, liability, cost, expense or obligation of the District, and neither the credit nor the taxing power of the Municipality, the State of Arizona or any political subdivision of either (other than the District) shall be pledged therefor.

10. Severability; Amendment.

a. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

b. All resolutions or parts thereof inconsistent herewith are hereby waived to the extent only of such inconsistency.

11. Effective Date.

This Resolution shall be effective immediately.

PASSED by the District Board of Vanderbilt Farms Community
Facilities District this 19th day of April, 2005.

Harold Kai
Vice Chairperson, District Board,
Vanderbilt Farms Community Facilities
District

ATTEST:

Jacqueline C. Brunson
District Clerk, Vanderbilt
Farms Community Facilities
District

APPROVED AS TO FORM:

Paul Kandy
District Counsel, Vanderbilt
Farms Community Facilities
District

ATTACHMENT:

- EXHIBIT "A" -- Forms of Statements Regarding Posting Of Public Meetings
- EXHIBIT "B" -- Form of Budget Hearing Notice
- EXHIBIT "C" -- Form Of Report Hearing Notice
- EXHIBIT "D" -- Form of Notice of Election
- EXHIBIT "E" -- Form of Official Ballot
- EXHIBIT "F" -- Form of Affidavit of Elector

* * *

EXHIBIT "A"

**FORMS OF STATEMENTS REGARDING POSTING
OF PUBLIC MEETINGS**

VANDERBILT FARMS COMMUNITY FACILITIES DISTRICT
c/o Town of Marana, Arizona
13251 North Lon Adams Road
Marana, Arizona 85653

....., 2005

Lori Godoshian, Clerk
Board of Supervisors of Pima County
Fifth Floor, 130 West Congress
Tucson, Arizona 85701

TO: Clerk of the Board of Supervisors of Pima County, Arizona, and
the Clerk of Pima County, Arizona

Pursuant to A.R.S. Section 38-431.02, the District Board of Vanderbilt Farms Community Facilities District hereby states that all notices of its meetings will be posted at the official bulletin boards of the Town of Marana, Arizona, for posting notices which are located at the following locations:

- Marana Town Hall: 13251 North Lon Adams Road
Marana, Arizona 85653
- Marana Police Department: 11555 West Civic Center Drive
Marana, Arizona 85653
- Marana Development Services Center: 3696 West Orange Grove Road
Tucson, Arizona 85741

which notices will be available for viewing by the public 24 hours a day. Such notices will indicate the date, time and place of the meeting and will include an agenda or information concerning the manner in which the public may obtain an agenda for the meeting.

VANDERBILT FARMS COMMUNITY FACILITIES
DISTRICT

By.....
District Manager

VANDERBILT FARMS COMMUNITY FACILITIES DISTRICT
c/o Town of Marana, Arizona
13251 North Lon Adams Road
Marana, Arizona 85653

....., 2005

Ms. Jan Brewer
Secretary of State
14 North 18th Avenue
Phoenix, Arizona 85007

TO: Secretary of State of the State of Arizona and the Citizens of
the State of Arizona

Pursuant to A.R.S. Section 38-431.02, the District Board of Vanderbilt Farms Community Facilities District hereby states that all notices of its meetings will be posted at the official bulletin boards of the Town of Marana, Arizona, for posting notices which are located at the following locations:

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which notices will be available for viewing by the public 24 hours a day. Such notices will indicate the date, time and place of the meeting and will include an agenda or information concerning the manner in which the public may obtain an agenda for the meeting.

VANDERBILT FARMS COMMUNITY FACILITIES
DISTRICT

By.....
District Manager

VANDERBILT FARMS COMMUNITY FACILITIES DISTRICT
c/o Town of Marana, Arizona
13251 North Lon Adams Road
Marana, Arizona 85653

....., 2005

Ms. Jocelyn C. Bronson
Town Clerk
Town of Marana, Arizona
13251 North Lon Adams Road
Marana, Arizona 85653

TO: Clerk of the Town of Marana, Arizona, and the Citizens of the
Town of Marana, Arizona

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Tucson, Arizona 85741

which notices will be available for viewing by the public 24 hours a day. Such notices will indicate the date, time and place of the meeting and will include an agenda or information concerning the manner in which the public may obtain an agenda for the meeting.

VANDERBILT FARMS COMMUNITY FACILITIES
DISTRICT

By.....
District Manager

EXHIBIT "B"

FORM OF BUDGET HEARING NOTICE

NOTICE FOR HEARING REQUIRED BY A.R.S. § 48-716
AND § 48-723(C) ON THE BUDGET FOR FISCAL YEAR
2004-05 FOR VANDERBILT FARMS COMMUNITY FACILITIES
DISTRICT

Pursuant to Sections 48-716 and 48-723(C), Arizona Revised Statutes, as amended, notice is hereby given that a public hearing on the budget for fiscal year 2004-05 for Vanderbilt Farms Community Facilities District will be held by the District Board on
....., 2005, at approximately p.m. (Arizona time), or immediately preceding the meeting of the Mayor and Common Council of the Town of Marana, Arizona, on the same date in the Council Chambers located at 13251 North Lon Adams Road, Marana, Arizona. Such budget and further information relating thereto are available from the Town Clerk of the Town of Marana, Arizona/District Clerk of Vanderbilt Farms Community Facilities District, 13251 North Lon Adams Road, Marana, Arizona 85653, telephone number: (520) 682-3401.

Dated this day of, 2005.

/s/.....
District Manager, Vanderbilt Farms
Community Facilities District

EXHIBIT "C"

FORM OF REPORT HEARING NOTICE

NOTICE FOR HEARING REQUIRED BY A.R.S. § 48-715 ON REPORT OF THE FEASIBILITY AND BENEFITS OF CERTAIN PROJECTS TO BE FINANCED WITH THE PROCEEDS OF THE SALE OF GENERAL OBLIGATION BONDS OF VANDERBILT FARMS COMMUNITY FACILITIES DISTRICT

Pursuant to Section 48-715, Arizona Revised Statutes, as amended, notice is hereby given that a public hearing on the report of the feasibility and benefits of projects to be financed with the proceeds of the sale of general obligation bonds of Vanderbilt Farms Community Facilities District shall be held by the District Board on, 2005, at approximately p.m. (Arizona time), or immediately preceding the meeting of the Mayor and Common Council of the Town of Marana, Arizona, on the same date in the Council Chambers located at 13251 North Lon Adams Road, Marana, Arizona. Such feasibility report and further information relating thereto are on file with the Town Clerk of the Town of Marana, Arizona/District Clerk of Vanderbilt Farms Community Facilities District, 13251 North Lon Adams Road, Marana, Arizona 85653, telephone number: (520) 682-3401.

Dated this day of, 2005.

/s/
District Manager, Vanderbilt Farms
Community Facilities District

EXHIBIT "D"

FORM OF NOTICE OF ELECTION

TO THE QUALIFIED RESIDENT AND LANDOWNER ELECTORS OF VANDERBILT FARMS COMMUNITY FACILITIES DISTRICT (THE "DISTRICT"):

A special election to establish certain matters will be held on June 28, 2005, at the following precinct's polling place, such precinct being the precinct in which the area within the District is located:

<u>Precinct</u>	<u>Polling Place</u>
Marana	13251 North Lon Adams Road Marana, Arizona 85653

The polling place will open at 8:00 a.m. and close at 2:00 p.m.

The purpose of the election is to permit those who would be the qualified resident and landowner electors of the District to vote on the following questions:

SHALL THE DISTRICT BOARD (THE "BOARD") OF VANDERBILT FARMS COMMUNITY FACILITIES DISTRICT (THE "DISTRICT") BE AUTHORIZED TO ISSUE GENERAL OBLIGATION BONDS OF THE DISTRICT, IN THE DENOMINATION OF THE BONDS, THE SIZE OF EACH ISSUE AND THE FORM OF THE BONDS PRESCRIBED, AND HAVING THE MATURITIES (NOT EXCEEDING TWENTY-FIVE (25) YEARS), INTEREST PAYMENT DATES AND INTEREST RATES, WHETHER FIXED OR VARIABLE, NOT EXCEEDING TWELVE PERCENT (12%) PER ANNUM, ESTABLISHED, BY THE BOARD AND CONTAINING SUCH TERMS, CONDITIONS, COVENANTS AND AGREEMENTS AS THE BOARD DEEMS PROPER, IN THE MAXIMUM AMOUNT OF THIRTY-ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$31,500,000) TO PROVIDE MONEYS (A) (1) FOR PLANNING, DESIGN, ENGINEERING, CONSTRUCTION, ACQUISITION OR INSTALLATION OF ANY OR ALL OF THE FOLLOWING IMPROVEMENTS, INCLUDING NECESSARY OR INCIDENTAL WORK, WHETHER NEWLY CONSTRUCTED, RENOVATED OR EXISTING, AND ALL NECESSARY OR DESIRABLE APPURTENANCES ("PUBLIC INFRASTRUCTURE"): (a) SANITARY SEWAGE SYSTEMS, INCLUDING COLLECTION, TRANSPORT, STORAGE, TREATMENT, DISPERSAL, EFFLUENT USE AND DISCHARGE, (b) DRAINAGE AND FLOOD CONTROL SYSTEMS, INCLUDING COLLECTION, TRANSPORT, DIVERSION, STORAGE, DETENTION, RETENTION, DISPERSAL, USE AND DISCHARGE, (c) WATER SYSTEMS FOR DOMESTIC, INDUSTRIAL, IRRI-

GATION, MUNICIPAL OR FIRE PROTECTION PURPOSES INCLUDING PRODUCTION, COLLECTION, STORAGE, TREATMENT, TRANSPORT, DELIVERY, CONNECTION AND DISPERSAL, BUT NOT INCLUDING FACILITIES FOR AGRICULTURAL IRRIGATION PURPOSES UNLESS FOR THE REPAIR OR REPLACEMENT OF EXISTING FACILITIES WHEN REQUIRED BY OTHER IMPROVEMENTS DESCRIBED HEREIN, (d) HIGHWAYS, STREETS, ROADWAYS AND PARKING FACILITIES INCLUDING ALL AREAS FOR VEHICULAR USE FOR TRAVEL, INGRESS AND EGRESS, (e) AREAS FOR PEDESTRIAN, EQUESTRIAN, BICYCLE OR OTHER NON-MOTOR VEHICLE USE FOR TRAVEL, INGRESS, EGRESS AND PARKING, (f) PEDESTRIAN MALLS, PARKS, RECREATIONAL FACILITIES, AND OPEN SPACE AREAS FOR THE USE OF MEMBERS OF THE PUBLIC FOR ENTERTAINMENT, ASSEMBLY AND RECREATION, (g) LANDSCAPING INCLUDING EARTHWORKS, STRUCTURES, LAKES AND OTHER WATER FEATURES, PLANTS, TREES AND RELATED WATER DELIVERY SYSTEMS, (h) PUBLIC BUILDINGS, PUBLIC SAFETY FACILITIES AND FIRE PROTECTION FACILITIES, (i) LIGHTING SYSTEMS, (j) TRAFFIC CONTROL SYSTEMS AND DEVICES INCLUDING SIGNALS, CONTROLS, MARKINGS AND SIGNAGE, (k) SCHOOL SITES AND FACILITIES AND (1) EQUIPMENT, VEHICLES, FURNISHINGS AND OTHER PERSONALTY RELATED TO ANY OF THE FOREGOING; (2) ACQUIRING, CONVERTING, RENOVATING OR IMPROVING EXISTING FACILITIES FOR PUBLIC INFRASTRUCTURE; (3) ACQUIRING INTERESTS IN REAL PROPERTY FOR PUBLIC INFRASTRUCTURE; (4) ESTABLISHING, MAINTAINING AND REPLENISHING RESERVES FROM ANY SOURCE IN ORDER TO SECURE PAYMENT OF DEBT SERVICE ON BONDS; (5) FUNDING AND PAYING FROM BOND PROCEEDS INTEREST ACCRUING ON BONDS FOR A PERIOD OF NOT TO EXCEED THREE (3) YEARS FROM THEIR DATE OF ISSUANCE; (6) PROVIDING FOR THE TIMELY PAYMENT OF DEBT SERVICE ON BONDS OR OTHER INDEBTEDNESS OF THE DISTRICT; (7) REFINANCING ANY MATURED OR UNMATURED BONDS, WITH NEW BONDS; AND (8) EXPENSES OF THE DISTRICT INCIDENT TO AND REASONABLY NECESSARY TO CARRY OUT THE PURPOSES SPECIFIED IN THIS PARAGRAPH (CLAUSES (1) THROUGH (8), BOTH INCLUSIVE, BEING "PUBLIC INFRASTRUCTURE PURPOSES") AND (B) FOR REPAYING ALL OR PART OF FEES OR CHARGES COLLECTED FROM LANDOWNERS FOR PUBLIC INFRASTRUCTURE PURPOSES, THE ADVANCE OF MONEYS BY LANDOWNERS FOR PUBLIC INFRASTRUCTURE PURPOSES OR THE GRANTING OF REAL PROPERTY BY THE LANDOWNER FOR PUBLIC INFRASTRUCTURE PURPOSES PURSUANT TO AGREEMENTS ENTERED INTO WITH LANDOWNERS AND THE TOWN OF MARANA, ARIZONA, PURSUANT TO SECTION 48-709 (A) (10), ARIZONA REVISED STATUTES, AS AMENDED, AND IN AN AMOUNT NOT IN EXCESS OF ONE AND ONE-HALF (1½) TIMES THE AMOUNT OF BONDS PREVIOUSLY

ISSUED BY THE DISTRICT FOR THE PURPOSE OF REFUNDING ANY BONDS ISSUED BY THE DISTRICT FOR EITHER OF THE FOREGOING PURPOSES, PAYABLE FROM AN AD VALOREM TAX LEVIED AND COLLECTED ANNUALLY ON ALL TAXABLE PROPERTY IN THE DISTRICT, SUFFICIENT TO PAY DEBT SERVICE ON SUCH BONDS WHEN DUE, AS AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF ARIZONA, INCLUDING PARTICULARLY (BUT NOT BY WAY OF LIMITATION) TITLE 48, CHAPTER 4, ARTICLE 6, ARIZONA REVISED STATUTES, TOGETHER WITH ALL AMENDMENTS AND ADDITIONS THERETO?

SHALL THE DISTRICT BOARD OF VANDERBILT FARMS COMMUNITY FACILITIES DISTRICT (THE "DISTRICT") BE AUTHORIZED TO LEVY AND COLLECT AN ANNUAL AD VALOREM TAX ON THE ASSESSED VALUE OF ALL REAL AND PERSONAL PROPERTY IN THE DISTRICT AT A RATE NOT TO EXCEED THIRTY CENTS (30¢) PER ONE HUNDRED DOLLARS (\$100) OF ASSESSED VALUATION OF ALL REAL AND PERSONAL PROPERTY IN THE DISTRICT, ALL ATTRIBUTABLE TO THE OPERATION AND MAINTENANCE EXPENSES OF THE DISTRICT, IN ACCORDANCE WITH THE CONSTITUTION AND LAWS OF THE STATE OF ARIZONA, INCLUDING PARTICULARLY (BUT NOT BY WAY OF LIMITATION) SECTION 48-723, ARIZONA REVISED STATUTES, AS AMENDED?

Absentee/early voting shall be permitted in accordance with the provisions of Title 16, Chapter 4, Article 8, Arizona Revised Statutes, as amended. Absentee/early voting information may be obtained by contacting the office of the District Clerk, 13251 North Lon Adams Road, Marana, Arizona 85653, telephone number (520) 682-3401.

The "general plan" for the District required by Section 48-702(A)(8), Arizona Revised Statutes, as amended, is on file with the District Clerk at the same location described in the preceding paragraph.

EXHIBIT "E"

FORM OF OFFICIAL BALLOT

OFFICIAL BALLOT
SPECIAL BOND ELECTION
VANDERBILT FARMS
COMMUNITY FACILITIES DISTRICT
JUNE 28, 2005

SHALL THE DISTRICT BOARD (THE "BOARD") OF VANDERBILT FARMS COMMUNITY FACILITIES DISTRICT (THE "DISTRICT FARMS") BE AUTHORIZED TO ISSUE GENERAL OBLIGATION BONDS OF THE DISTRICT, IN THE DENOMINATION OF THE BONDS, THE SIZE OF EACH ISSUE AND THE FORM OF THE BONDS PRESCRIBED, AND HAVING THE MATURITIES (NOT EXCEEDING TWENTY-FIVE (25) YEARS), INTEREST PAYMENT DATES AND INTEREST RATES, WHETHER FIXED OR VARIABLE, NOT EXCEEDING TWELVE PERCENT (12%) PER ANNUM, ESTABLISHED, BY THE BOARD AND CONTAINING SUCH TERMS, CONDITIONS, COVENANTS AND AGREEMENTS AS THE BOARD DEEMS PROPER, IN THE MAXIMUM AMOUNT OF THIRTY-ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$31,500,000) TO PROVIDE MONEYS (A) (1) FOR PLANNING, DESIGN, ENGINEERING, CONSTRUCTION, ACQUISITION OR INSTALLATION OF ANY OR ALL OF THE FOLLOWING IMPROVEMENTS, INCLUDING NECESSARY OR INCIDENTAL WORK, WHETHER NEWLY CONSTRUCTED, RENOVATED OR EXISTING, AND ALL NECESSARY OR DESIRABLE APPURTENANCES ("PUBLIC INFRASTRUCTURE"):

- (a) SANITARY SEWAGE SYSTEMS, INCLUDING COLLECTION, TRANSPORT, STORAGE, TREATMENT, DISPERSAL, EFFLUENT USE AND DISCHARGE,
- (b) DRAINAGE AND FLOOD CONTROL SYSTEMS, INCLUDING COLLECTION, TRANSPORT, DIVERSION, STORAGE, DETENTION, RETENTION, DISPERSAL, USE AND DISCHARGE,
- (c) WATER SYSTEMS FOR DOMESTIC, INDUSTRIAL, IRRIGATION, MUNICIPAL OR FIRE PROTECTION PURPOSES INCLUDING PRODUCTION, COLLECTION, STORAGE, TREATMENT, TRANSPORT, DELIVERY, CONNECTION AND DISPERSAL, BUT NOT INCLUDING FACILITIES FOR AGRICULTURAL IRRIGATION PURPOSES UNLESS FOR THE REPAIR OR REPLACEMENT OF EXISTING FACILITIES WHEN REQUIRED BY OTHER IMPROVEMENTS DESCRIBED HEREIN,
- (d) HIGHWAYS, STREETS, ROADWAYS AND PARKING FACILITIES INCLUDING ALL AREAS FOR VEHICULAR USE FOR TRAVEL, INGRESS AND EGRESS,
- (e) AREAS FOR PEDESTRIAN, EQUESTRIAN, BICYCLE OR OTHER NON-MOTOR VEHICLE USE FOR TRAVEL, INGRESS, EGRESS AND

PARKING, (f) PEDESTRIAN MALLS, PARKS, RECREATIONAL FACILITIES, AND OPEN SPACE AREAS FOR THE USE OF MEMBERS OF THE PUBLIC FOR ENTERTAINMENT, ASSEMBLY AND RECREATION, (g) LANDSCAPING INCLUDING EARTHWORKS, STRUCTURES, LAKES AND OTHER WATER FEATURES, PLANTS, TREES AND RELATED WATER DELIVERY SYSTEMS, (h) PUBLIC BUILDINGS, PUBLIC SAFETY FACILITIES AND FIRE PROTECTION FACILITIES, (i) LIGHTING SYSTEMS, (j) TRAFFIC CONTROL SYSTEMS AND DEVICES INCLUDING SIGNALS, CONTROLS, MARKINGS AND SIGNAGE, (k) SCHOOL SITES AND FACILITIES AND (1) EQUIPMENT, VEHICLES, FURNISHINGS AND OTHER PERSONALTY RELATED TO ANY OF THE FOREGOING; (2) ACQUIRING, CONVERTING, RENOVATING OR IMPROVING EXISTING FACILITIES FOR PUBLIC INFRASTRUCTURE; (3) ACQUIRING INTERESTS IN REAL PROPERTY FOR PUBLIC INFRASTRUCTURE; (4) ESTABLISHING, MAINTAINING AND REPLENISHING RESERVES FROM ANY SOURCE IN ORDER TO SECURE PAYMENT OF DEBT SERVICE ON BONDS; (5) FUNDING AND PAYING FROM BOND PROCEEDS INTEREST ACCRUING ON BONDS FOR A PERIOD OF NOT TO EXCEED THREE (3) YEARS FROM THEIR DATE OF ISSUANCE; (6) PROVIDING FOR THE TIMELY PAYMENT OF DEBT SERVICE ON BONDS OR OTHER INDEBTEDNESS OF THE DISTRICT; (7) REFINANCING ANY MATURED OR UNMATURED BONDS, WITH NEW BONDS; AND (8) EXPENSES OF THE DISTRICT INCIDENT TO AND REASONABLY NECESSARY TO CARRY OUT THE PURPOSES SPECIFIED IN THIS PARAGRAPH (CLAUSES (1) THROUGH (8), BOTH INCLUSIVE, BEING "PUBLIC INFRASTRUCTURE PURPOSES") AND (B) FOR REPAYING ALL OR PART OF FEES OR CHARGES COLLECTED FROM LANDOWNERS FOR PUBLIC INFRASTRUCTURE PURPOSES, THE ADVANCE OF MONEYS BY LANDOWNERS FOR PUBLIC INFRASTRUCTURE PURPOSES OR THE GRANTING OF REAL PROPERTY BY THE LANDOWNER FOR PUBLIC INFRASTRUCTURE PURPOSES PURSUANT TO AGREEMENTS ENTERED INTO WITH LANDOWNERS AND THE TOWN OF MARANA, ARIZONA, PURSUANT TO SECTION 48-709 (A)(10), ARIZONA REVISED STATUTES, AS AMENDED, AND IN AN AMOUNT NOT IN EXCESS OF ONE AND ONE-HALF (1½) TIMES THE AMOUNT OF BONDS PREVIOUSLY ISSUED BY THE DISTRICT FOR THE PURPOSE OF REFUNDING ANY BONDS ISSUED BY THE DISTRICT FOR EITHER OF THE FOREGOING PURPOSES, PAYABLE FROM AN AD VALOREM TAX LEVIED AND COLLECTED ANNUALLY ON ALL TAXABLE PROPERTY IN THE DISTRICT, SUFFICIENT TO PAY DEBT SERVICE ON SUCH BONDS WHEN DUE, AS AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF ARIZONA, INCLUDING PARTICULARLY (BUT NOT BY WAY OF LIMITATION) TITLE 48, CHAPTER 4, ARTICLE 6, ARIZONA REVISED STATUTES, TOGETHER WITH ALL AMENDMENTS AND ADDITIONS THERETO?

Place an "X" in the box beside the way you wish to vote.

BONDS, YES

BONDS, NO

SHALL THE DISTRICT BOARD OF VANDERBILT FARMS COMMUNITY FACILITIES DISTRICT (THE "DISTRICT") BE AUTHORIZED TO LEVY AND COLLECT AN ANNUAL AD VALOREM TAX ON THE ASSESSED VALUE OF ALL REAL AND PERSONAL PROPERTY IN THE DISTRICT AT A RATE NOT TO EXCEED THIRTY CENTS (30¢) PER ONE HUNDRED DOLLARS (\$100) OF ASSESSED VALUATION OF ALL REAL AND PERSONAL PROPERTY IN THE DISTRICT, ALL ATTRIBUTABLE TO THE OPERATION AND MAINTENANCE EXPENSES OF THE DISTRICT, IN ACCORDANCE WITH THE CONSTITUTION AND LAWS OF THE STATE OF ARIZONA, INCLUDING PARTICULARLY (BUT NOT BY WAY OF LIMITATION) SECTION 48-723, ARIZONA REVISED STATUTES, AS AMENDED?

Place an "X" in the box beside the way you wish to vote.

TAX, YES

TAX, NO

EXHIBIT "F"

FORM OF AFFIDAVIT OF ELECTOR

AFFIDAVIT OF PROSPECTIVE ELECTOR
AS TO OWNERSHIP OF LAND OR
OTHER QUALIFICATION TO VOTE
PURSUANT TO SECTIONS 16-121 AND 48-3043,
ARIZONA REVISED STATUTES, AS AMENDED

STATE OF ARIZONA)
COUNTY OF PIMA)
TOWN OF MARANA, ARIZONA) ss.
VANDERBILT FARMS COMMUNITY FACILITIES DISTRICT)

COMES NOW the undersigned and deposes and says "I am (place a mark next to 1, 2 or 3 to indicate your eligibility)

1. a qualified elector in
precinct and resident at
where I resided at the date of my registration, OR

2. a qualified elector in
precinct and resident at
where I resided at the date of my registration, AND a
qualified voter pursuant to § 48-3043 (complete section 4)
OR

3. a qualified voter pursuant to § 48-3043 (complete section
4)

4. I am an owner of land in the community facilities district to which this affidavit applies who is a qualified elector of such district; or otherwise qualified to vote pursuant to Section 48-3043, Arizona Revised Statutes, as amended (being a bona fide owner of land within the district holding title or evidence of title of record, including: an entymen upon public lands under the public land laws of the United States or a certificate of purchase from the State of Arizona, who has held such title for ninety (90) days and who is a resident of the State of Arizona; when the holder of record title is a married person, the spouse in whose name the title stands; if record title is held in more than one name, an owner otherwise possessing the qualifications of an elector voting the number of fractions of acres represented by my legal interest or proportionate share of and in the lands; the administrator or executor of a deceased person or the guardian of a minor or an incompetent person, appointed and qualified under the laws of the State of Arizona, representing such person or estate; an officer of a corporation designated and authorized by a resolution of the Board of Directors of the corporation

representing the corporation; the general partner of a partnership in whose name title to property within the district is vested as a holder of title or evidence of title, who is designated and authorized in writing by all of the general partners; or the trustee of a trust or the trustee who is designated and authorized in writing by all of the trustees of a trust in which there is more than one trustee, in whose name title to property within such district is vested as a holder of title or evidence of title)." .

My vote represents acres OR square feet.

.....
Signature of Affiant

.....
Printed Name of Affiant

.....
Printed Name of Entity Represented
by Affiant, if any

SUBSCRIBED AND SWORN to before me this day of
....., 2005.

.....
Election Board Member

TO BE COMPLETED BY AN ELECTION BOARD MEMBER ONLY:

Ballot Stub No.

**VANDERBILT FARMS COMMUNITY FACILITIES DISTRICT (CFD)
PROPOSED BUDGET
FISCAL 2004-05**

REVENUES	Budget Amount
Property Tax - General (Operating)	\$0
Property Tax- Secondary (Debt Service)	\$0
Developer Contributions	\$125,000
Total Revenues	\$125,000
EXPENDITURES	
CFD Administration	\$25,000
Costs of Issuance	\$0
Accounting/Auditing	\$0
Public Notification Expenses	\$2,000
Consultant Services	\$0
Outside Legal Counsel	\$0
Debt Service	\$0
Trustee Fees	\$0
Capital Improvements Acquisition	\$0
Replacement Reserve	\$0
Total Expenditures	\$27,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$98,000
Other Financing Sources (Uses)	
General Obligation Bonds	\$0
Total Other Financing Sources	\$0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$98,000
BEGINNING FUND BALANCE	\$0
ENDING FUND BALANCE	\$98,000