



# Communities Facilities District

CITY COUNCIL CHAMBERS . 11465 WEST CIVIC CENTER DRIVE . AVONDALE, AZ 85323

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**Communities Facilities District  
Agenda  
November 19, 2018 5:30 PM**

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**CALL TO ORDER BY DISTRICT CHAIR**

**1 ROLL CALL BY THE DISTRICT CLERK**

**2. APPROVAL OF MINUTES**

**a. October 15, 2018**

**3. CONSIDERATION AND POSSIBLE ADOPTION OF A RESOLUTION DECLARING THE RESULTS OF, AND ADOPTING A CERTIFICATE OF RESULTS FOR, THE ELECTION WITH RESPECT TO ISSUANCE OF BONDS AND THE LEVY OF AN AD VALOREM PROPERTY TAX THEREFOR AND SEPARATELY THE LEVY OF A SEPARATE AD VALOREM PROPERTY TAX FOR OPERATION AND MAINTENANCE PURPOSES**

To adopt a Resolution declaring the results of, and adopting a certificate of results for, the election with respect to issuance of bonds by the district and the levy of an ad valorem property tax.

**4. ADJOURNMENT**

Respectfully submitted,

A handwritten signature in cursive script that reads 'Linda Mendenhall'.

Linda Mendenhall  
Acting District Clerk

Individuals with special accessibility needs, including sight or hearing impaired, large print, or interpreter, should contact the City Clerk at 623-333-1200 or TDD 623-333-0010 at least two business days prior to the meeting.

Personas con necesidades especiales de accesibilidad, incluyendo personas con impedimentos de vista u oído, impresión grande o interprete, deben comunicarse con la Secretaria de la Ciudad at 623-333-1200 o TDD 623-333-0010 cuando menos dos días hábiles antes de la junta.

Minutes of the Communities Facilities District Regular Meeting held October 15, 2018 at 5:30 p.m. in the Council Chambers.

**BOARD MEMBERS PRESENT**

Board Chairman Kenn Weise and Board Members

Board Vice Chairman Bryan Kilgore  
Tina Conde  
Pat Dennis  
Veronica Malone  
Mike Pineda  
Lorenzo Sierra  
Robert Antoniak  
Kevin Kugler

**ALSO PRESENT**

Charles Montoya, District Manager  
Kevin Artz, Assistant City Manager  
Gina Montes, Assistant City Manager  
Andrew McGuire, District Attorney  
Linda Mendenhall, Acting District Clerk

**1 ROLL CALL BY THE DISTRICT CLERK**

**2 CONSIDERATION AND POSSIBLE ADOPTION OF A RESOLUTION 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, AGREEMENT; 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**

To adopt a Resolution taking certain actions with regard to organization of the District, approving the general plan for the District, approving and authorizing the execution of a District development agreement and ordering and calling an election with respect to issuance of bonds by the District.

Kevin Artz, Assistant City Manager reviewed the parts of the Resolution for the Board:

- Establishes the organization of the District, appointing the Mayor and Vice Mayor as the Board Chairman and Vice Chairman, the City Manager as the Board Manager, the Finance and Budget Director as the District Treasurer, the City Clerk as the District Clerk and the City Attorney as the District Attorney.
- Ratifies the posting locations for the meetings.
- Approves the District General Plan, setting the boundaries and the infrastructure included, which were adopting by Council in May.
- The amended and restated District Development Agreement which will go before Council tonight.
- Call of election, scheduled for November 13<sup>th</sup> and the canvassing of the votes is to occur 14 days later at the November 19<sup>th</sup> Board meeting.

Mr. Artz reviewed some of the costs, the initial application estimated costs of \$176,000,000 for infrastructure. He states that the developer indicated there are \$39 to \$40 million in CFD eligible costs for which will go primarily for roadways, easements, drainage and some utility lines. For the structure of the CFD, the developer is proposing General Obligation Bonds at a \$3.85 tax rate and a 30 cent rate for operations and maintenance with a 25-year term on those bonds. There is also potential for a special assessment bond in the range of a 2 to \$4000 per lot.

Mr. Artz reviewed the next steps for the CFD, the election and canvass of votes, the budget meeting in May and future meetings for when bonds are sold.

Board Member Dennis inquired about the \$39 million shown as opposed to the \$70 million indicated in the documents. Mr. Artz responded, the \$70 million listed in the documents includes \$50 million for the developer with \$10 million remaining of authorization and an additional \$20 million authorized for future use by the District.

Board Member Dennis inquired how the \$3.85 will work now since we are not issuing any bonds and at what point would come back for authorization. Mr. Michael Cafiso, Greenburg Taurig, responded, when they anticipate the first home sells in the District boundaries they will come with a small bond issue based on the property value now and that will put the \$3.85 tax rate into place. The 30 cents will be put into place earlier since it will be tied to the May budget.

Board Member Dennis asked Mr. Cafiso where are we currently with interest rates and if he has seen a 12% cap on interest rates for bonds. Mr. Cafiso responded that in his career he has seen 15% so it isn't uncommon. This bond authorization has unlimited duration and you don't typically issue any bonds once development is built out. We could be issuing bonds 20 years from now so a 12% rate is prophylactic, right now the rates are 3 to 4% on 20 years for good quality bonds.

Board Vice Chairman Kilgore moved to approve agenda item #2. Board Member Malone seconded the motion.

ROLL CALL VOTE AS FOLLOWS:

Board Member Pineda	Aye
Board Member Dennis	Aye
Board Member Malone	Aye
Board Chairman Weise	Aye
Board Vice Chairman Kilgore	Aye
Board Member Sierra	Aye
Board Member Conde	Aye
Board Member Kugler	Aye
Board Member Antoniak	Aye

Motion was carried unanimously.

**3 ADJOURNMENT**

There being no further business before the Board, Board Vice Chairman Kilgore moved to adjourn the meeting; Board Member Dennis seconded the motion. Motion was carried unanimously.

Meeting adjourned at 5:47 p.m.

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District Chairman Kenn Weise

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Linda Mendenhall, CMC  
Acting District Clerk

**CERTIFICATION**

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Council of the City of Avondale held on the 15th day of October, 2018. I further certify that the meeting was duly called and held and that the quorum was present.

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Acting District Clerk

# Lakin Ranch Community Facilities District

**SUBJECT:** Adoption of Resolution # 2-1118 declaring the results of, and adopting a certificate of results for, the election with respect to issuance of bonds by the district and the levy of an ad valorem property tax.

**MEETING DATE:** November 19, 2018

**TO:** Board Members

**FROM:** Kevin Artz, Assistant City Manager 333-1013

**THRU:** Charles Montoya, District Manager

**PURPOSE:**

To adopt a Resolution declaring the results of, and adopting a certificate of results for, the election with respect to issuance of bonds by the district and the levy of an ad valorem property tax.

**BACKGROUND:**

On October 15, 2018 the District Board adopted a Resolution calling for a special election to be held on November 13, 2018. The election was to determine if the District Board shall be authorized to issue up to \$70M in bonds to provide moneys for necessary infrastructure improvements and to levy and collect an ad valorem tax.

The election was held on November 13, 2018 at the Avondale City Hall.

**DISCUSSION:**

The District Clerk has determined that a majority of the votes cast by the qualified electors voting at the election voted YES on the bond question and the tax question.

The Resolution declares the results of the election and adopts a certificate of the results of the election (see Exhibit to Resolution).

**RECOMMENDATION:**

Staff recommends the Board adopt a Resolution declaring the results of, and adopting a certificate of results for, the election with respect to issuance of bonds by the district and the levy of an ad valorem property tax.

**ATTACHMENTS:**

Attachment A – Resolution 2-1118

## RESOLUTION NO. 2-2018

A RESOLUTION OF THE DISTRICT BOARD OF LAKIN COMMUNITY FACILITIES DISTRICT DECLARING THE RESULTS OF, AND ADOPTING A CERTIFICATE OF RESULTS FOR, THE ELECTION WITH RESPECT TO ISSUANCE OF BONDS BY THE DISTRICT AND THE LEVY OF AN *AD VALOREM* PROPERTY TAX THEREFOR AND SEPARATELY THE LEVY OF A SEPARATE *AD VALOREM* PROPERTY TAX FOR OPERATION AND MAINTENANCE PURPOSES.

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

### SECTION 1. Findings.

a. Lakin Community Facilities District (hereinafter called the “District”) is authorized (1) by Section 48-719, Arizona Revised Statutes to issue and sell general obligation bonds of the District to provide moneys for public infrastructure purposes consistent with The General Plan of Lakin Community Facilities District and (2) by Section 48-709(G), Arizona Revised Statutes 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 City of Avondale, Arizona, pursuant to Section 48-709(A)(10), Arizona Revised Statutes.

b. Pursuant to Section 48-723, Arizona Revised Statutes, 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.

c. 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 will be qualified to vote pursuant to Section 48-707(G), Arizona Revised Statutes [being, if no person has registered to vote within the area to be included within the boundaries of the District within fifty (50) days immediately preceding any scheduled election date, the owners of land within the District who will be qualified electors of the State of Arizona and other landowners according to Section 48-3043, Arizona Revised Statutes (hereinafter referred to as the “qualified electors”),] the question of authorizing the District Board to issue such bonds and to levy such tax.

d. The district board of the District (hereinafter called the “District Board”) deemed it necessary and advisable to order and call such an election and to establish the procedures whereby such election should be held and did so pursuant to Resolution No. 1-1018 adopted by us on October 15, 2018 (hereinafter referred to as the “Election Resolution”), which provided that a special election be held on November 13, 2018 (hereinafter referred to as the

“Election”), at which time there was submitted to the qualified electors of the District the question set forth in the official ballot described in the Election Resolution.

e. The election board for the Election filed with the District Board its returns of election and the ballots cast at the polling place, and the District Board canvassed the returns of the Election and determined (1) that a total of one (1) ballot(s) had been cast in response to the questions submitted, that in answer to the questions submitted, such ballot was marked “Bonds, Yes” and no ballots were marked “Bonds, No” with respect to the issuance of the Bonds and such ballot was marked “Tax, Yes” and no ballots were marked “Tax, No” with respect to the levying of the Operation and Maintenance Expenses Tax; (2) that the Election had been conducted and the returns thereof made as required by law and (3) that only qualified electors were permitted to vote at the Election.

SECTION 2. Canvass. After careful examination of the official returns of the Election, the District Board finds and determines as follows:

a. A majority of the votes cast by the qualified electors voting at the Election voted “Bonds, Yes” in response to the following question:

SHALL THE DISTRICT BOARD (THE “BOARD”) OF LAKIN 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 SEVENTY MILLION DOLLARS (\$70,000,000) 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 CITY OF AVONDALE, ARIZONA, PURSUANT TO SECTION 48-709(A)(10), ARIZONA REVISED STATUTES 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?

b. Up to and including \$70,000,000 aggregate principal amount of general obligation bonds are therefore authorized to be sold and issued.

c. A majority of the votes cast by the qualified electors voting at the Election voted “Tax, Yes” in response to the following question:

SHALL THE DISTRICT BOARD OF LAKIN 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?

d. The Chairman of the District Board shall execute, and the District Clerk shall attest, the “Certificate of Results of Election” attached hereto as Exhibit A and incorporated herein by reference.

e. That the District Clerk is hereby directed to cause to be recorded the “Certificate of Results of Election” in the Office of the County Recorder of Maricopa County, Arizona; to return said copy with the recording date shown therein to the official records of the District and to cause to be provided a copy thereof to the State Real Estate Department.

SECTION 3. Ratification, Severability; Amendment; Effective Date.

a. The composition of the election board of Linda Mendenhall, Charity Callahan and Michael Cafiso is hereby ratified.

b. 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.

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

d. This Resolution shall be effective immediately.

**PASSED AND ADOPTED** by the District Board of Lakin Community Facilities District November 19, 2018.

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Chairperson, District Board,  
Lakin Community Facilities District

ATTEST:

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District Clerk

APPROVED AS TO FORM:

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District Counsel

**EXHIBIT A  
TO  
RESOLUTION 2-2018**

**FORM OF CERTIFICATE OF RESULTS OF THE  
GENERAL OBLIGATION BOND AND OPERATION AND  
MAINTENANCE EXPENSES TAX ELECTION HELD FOR  
LAKIN COMMUNITY FACILITIES DISTRICT  
ON NOVEMBER 13, 2018**

CERTIFICATE OF RESULTS OF THE GENERAL OBLIGATION BOND  
AND OPERATION AND MAINTENANCE EXPENSES TAX ELECTION  
HELD FOR LAKIN COMMUNITY FACILITIES DISTRICT ON NOVEMBER  
13, 2018

The Chairman of the District Board of Lakin Community Facilities District (hereinafter referred to as the "District") does hereby certify as follows:

1. That pursuant to a Resolution passed and adopted by the District Board of the District (the "District Board") on October 15, 2018 (hereinafter referred to as the "Resolution"), an election was duly called and regularly held on November 13, 2018 (hereinafter referred to as the "Election"), when there was submitted to those who were the qualified electors or other landowners according to Section 48-3043, Arizona Revised Statutes of the District the questions as shown on the attached form of ballot;

2. That the object of the Election was to obtain authority from such qualified electors or other landowners according to Section 48-3043, Arizona Revised Statutes to issue and sell general obligation bonds and to levy and collect an annual ad valorem property tax for operation and maintenance expenses described in attached form of ballot;

3. That proof of the due and regular publication and posting of the "Notice of the Election" has been made and filed with the District Board;

4. That no person was registered to vote within fifty (50) days (or at any time) immediately preceding November 13, 2018, within the area comprising the District;

5. That as a result of no qualified electors residing within such area each and every landowner according to Section 48-3043, Arizona Revised Statutes voted at the Election;

6. That the poll and tally lists and the official returns of the election board that conducted the Election were filed with the District Board on November 13, 2018, and the District Board met and canvassed the returns of the Election as prescribed by law;

7. That after careful and complete canvass of the official election returns, in answer to the questions submitted to such qualified electors or other landowners according to Section 48-3043, Arizona Revised Statutes at the Election, the majority of the votes cast were cast in favor of the issuance and sale of not to exceed \$70,000,000 principal amount of general

obligation bonds of the District and the levy and collection of an annual ad valorem property tax for operation and maintenance purposes in an amount not to exceed \$0.30 per \$100 of secondary assessed valuation described in the questions submitted at the Election as determined by the election board at the polling place, the Election had been conducted and the returns thereof made as required by law and the result of the Election as to both questions is set forth in the following tabulation of the official election returns, to-wit:

<u>Precinct</u>	<u>Polling Place</u>	<u>Yes</u>	<u>No</u>	<u>Total</u>
Warner	City Clerk's Office City of Avondale, Arizona 11465 West Civic Center Drive Avondale, Arizona	1,086.6	0	1,086.6

8. That the majority of the votes cast at the Election in answer to the questions submitted were in favor of the indebtedness, as described in the questions submitted at the Election, by the issuance and sale of up to and including \$70,000,000 aggregate principal amount of general obligation bonds and separately the levy and collection of an annual ad valorem property tax for operation and maintenance purposes in an amount not to exceed \$0.30 per \$100 of secondary assessed valuation.

IN WITNESS WHEREOF, the Chairman of the District Board of the District has hereunto placed his hand and caused the same to be attested by the District Clerk of the District on November 19, 2018.

\_\_\_\_\_  
Chairperson, District Board,  
Lakin Community Facilities District

ATTEST:

\_\_\_\_\_  
District Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
District Counsel

THIS DOCUMENT MUST BE RECORDED IN THE OFFICE OF THE COUNTY  
RECORDER OF MARICOPA COUNTY, ARIZONA.

OFFICIAL BALLOT

SHALL THE DISTRICT BOARD (THE "BOARD") OF LAKIN 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 NINE MILLION DOLLARS (\$70,000,000) 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 CITY OF AVONDALE, ARIZONA, PURSUANT TO SECTION 48-709(A)(10), ARIZONA REVISED STATUTES 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 and “X” in the box beside the way you wish to vote:

- BONDS, YES
- BONDS, NO

SHALL THE DISTRICT BOARD OF LAKIN 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?

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

- TAX, YES
- TAX, NO