QUAIL CREEK COMMUNITY FACILITIES DISTRICT
RESOLUTION NO. 16

A RESOLUTION OF THE DISTRICT BOARD OF THE QUAIL CREEK COMMUNITY
FACILITIES DISTRICT, A COMMUNITY FACILITIES DISTRICT OF ARIZONA,
APPROVING A FINAL BUDGET FOR FISCAL YEAR 2010 PURSUANT TO SECTION
48-716, ARIZONA REVISED STATUTES, AS AMENDED; ORDERING THAT AN AD
VALOREM TAX BE FIXED, LEVIED AND ASSESSED ON THE ASSESSED VALUE OF
ALL THE REAL AND PERSONAL PROPERTY WITHIN THE BOUNDARIES OF THE
DISTRICT IN AMOUNTS SPECIFIED IN THE FILED STATEMENTS AND ESTIMATES;
PROVIDING FOR CERTIFIED COPIES OF THIS RESOLUTION AND ORDER TO BE
DELIVERED TO THE PIMA COUNTY BOARD OF SUPERVISORS AND THE ARIZONA
DEPARTMENT OF REVENUE; AND PROVIDING THAT THIS RESOLUTION SHALL BE
EFFECTIVE AFTER ITS PASSAGE AND APPROVAL ACCORDING TO LAW

WHEREAS, on September 12, 2005, the Mayor and Council of the Town of
Sahuarita, Arizona (the "Town"), adopted Resolution No. 1 forming Quail Creek Community
Facilities District ("QCCFD"), a community facilities district in accordance with Section 48-701
et seq., Arizona Revised Statutes, as amended; and

WHEREAS, QCCFD 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 Town; and

WHEREAS, a primary purpose for creating QCCFD was to finance certain public
infrastructure needed for the development known as "Quail Creek" through assessment of ad
valorem taxes on all real and personal property within QCCFD; and

WHEREAS, in accordance with Sections 48-719 and 48-723, Arizona Revised
Statutes, as amended, a special election was held on November 8, 2005, wherein the qualified
electors of QCCFD voted to issue general obligation bonds in the maximum amount of
$30,000,000 to cover costs of public infrastructure purposes and to levy and collect an annual ad
valorem tax at a rate not to exceed thirty cents (30¢) per one hundred dollars ($100) of assessed
valuation for operation and maintenance expenses of QCCFD; and

WHEREAS, by Resolution No. 15, adopted on June 8, 2009, the District Board of
QCCFD (a) approved a tentative budget for FY 2010, (b) filed required statements and estimates
of operation and maintenance expenses of QCCFD, the costs of capital improvements to be
financed by the authorized ad valorem tax levy, and the amount of all other expenditures for
public infrastructure and enhanced municipal services proposed to be paid from the tax levy and
of the amount to be raised to pay general obligation bonds of QCCFD, (c) set a date of June 22,
2009, for a public hearing on the tentative budget and particularly, on the portions of the
statements and estimates not relating to debt service on general obligation bonds, and (d) provided for notice of the filing and of the public hearing date; and

WHEREAS, at the conclusion of the public hearing, the District Board of QCCFD voted to adopt the final budget for FY 2010 by this Resolution No. 15, and ordered the fixing, levying and assessment of the amounts to be raised by ad valorem taxes;

NOW, THEREFORE, BE IT RESOLVED BY THE DISTRICT BOARD OF THE QUAIL CREEK COMMUNITY FACILITIES DISTRICT AS FOLLOWS:

1. That certain proposed budget prepared by the QCCFD Treasurer for Fiscal Year 2010, attached hereto and expressly made a part hereof as Exhibit "A", is hereby finally adopted.

2. That it is hereby ORDERED that, in FY 2010, an ad valorem tax be fixed, levied and assessed on the assessed value of all the real and personal property within the boundaries of QCCFD in the amounts set forth in the statements and estimates attached hereto and expressly made a part hereof as Exhibit "B".

3. That certified copies of the Resolution and Order be delivered by U.S. Mail to the PIMA County Board of Supervisors and to the Arizona Department of Revenue (inasmuch as the tax levy must be filed by the PIMA County Board of Supervisors on or before the third Monday in August).

4. That if any provision in this Resolution is held invalid by a Court of competent jurisdiction, the remaining provisions shall not be affected but shall continue in full force and effect.

5. That this Resolution shall be effective after its passage and approval according to law.

PASSED by the District Board of the QUAIL CREEK Community Facilities District this 22nd day of June, 2009.

Lynne Skelton
Chairperson, District Board,
Quail Creek Community Facilities District

APPROVED AS TO FORM:

Daniel J. Hochuli
District Counsel
Quail Creek Community Facilities District

ATTEST:

Vicky Miel
Vicky Miel, MMC
District Clerk
Quail Creek Community Facilities District
EXHIBIT "A"

Fiscal Year 2010 Quail Creek Community Facilities District Budget
# QUAIL CREEK COMMUNITY FACILITIES DISTRICT (QC CFD)
## SPECIAL REVENUE FUND
### SOURCES AND USES OF FUNDS

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual Amount</th>
<th>Adopted Budget</th>
<th>Amended Budget</th>
<th>Estimated Actual</th>
<th>% Change From Amended Budget</th>
<th>% Change From 2009 Estimate</th>
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</thead>
<tbody>
<tr>
<td>2008</td>
<td></td>
<td>$114,481</td>
<td>$236,500</td>
<td>$236,500</td>
<td>$248,100</td>
<td>$258,780</td>
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<tr>
<td></td>
<td></td>
<td>$7,511</td>
<td>5,000</td>
<td>5,000</td>
<td>16,339</td>
<td>-100.0</td>
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<td></td>
<td></td>
<td>230,915</td>
<td>56,750</td>
<td>56,750</td>
<td>10,000</td>
<td>-92.8%</td>
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<tr>
<td></td>
<td></td>
<td>-</td>
<td>511,150</td>
<td>511,150</td>
<td>551,749</td>
<td>50.7%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>352,907</td>
<td>809,400</td>
<td>809,400</td>
<td>826,188</td>
<td>27.7%</td>
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<tr>
<td></td>
<td><strong>Subtotal: Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Transfer In</strong></td>
<td>-</td>
<td>21,350</td>
<td>21,350</td>
<td>11,040</td>
<td>-48.3%</td>
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<td></td>
<td><strong>Subtotal: Other Sources</strong></td>
<td>-</td>
<td>21,350</td>
<td>21,350</td>
<td>11,040</td>
<td>-48.3%</td>
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<tr>
<td></td>
<td><strong>Beginning Fund Balances</strong></td>
<td>515,710</td>
<td>223,450</td>
<td>223,450</td>
<td>593,594</td>
<td>43.2%</td>
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<tr>
<td></td>
<td><strong>End of Restricted for Capital Outlay</strong></td>
<td>4,540,529</td>
<td>1,386,000</td>
<td>1,386,000</td>
<td>899,793</td>
<td>-100.0%</td>
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<tr>
<td></td>
<td><strong>Unrestricted</strong></td>
<td>23,413</td>
<td>10,000</td>
<td>10,000</td>
<td>(20,464)</td>
<td>-91.7%</td>
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<tr>
<td></td>
<td><strong>Subtotal: Beginning Fund Balances</strong></td>
<td>5,079,649</td>
<td>1,819,450</td>
<td>1,819,450</td>
<td>1,472,923</td>
<td>-50.2%</td>
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<tr>
<td></td>
<td><strong>Total Sources</strong></td>
<td>$5,432,556</td>
<td>$2,450,200</td>
<td>$2,450,200</td>
<td>$2,299,111</td>
<td>$1,385,350</td>
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</tbody>
</table>

### USES
#### CURRENT EXPENDITURES:
- **General Government**
  - $7,511
- **Culture and Recreation**
  - 38,350
- **Subtotal: Current Expenditures**
  - 7,511

#### DEBT SERVICE:
- **Principal**
  - 320,000
- **Interest**
  - 688,346
- **Other**
  - 2,500
- **Subtotal: Debt Service**
  - 988,946

#### CAPITAL OUTLAY:
- **Infrastructure**
  - 3,293,276
- **Subtotal: Capital Outlay**
  - 3,293,276
- **Subtotal: Current Expenditures, Debt Service, and Capital Outlay**
  - 3,999,633

#### ENDING FUND BALANCES:
- **Restricted for Debt Service**
  - 593,594
- **Restricted for Capital Outlay**
  - 899,793
- **Undesignated Contingency Reserves**
  - (20,464)
- **Subtotal: Ending Contingency Reserves**
  - 1,472,923

#### Total Uses
- **2008**
  - $5,432,556
- **2009**
  - $2,450,200
- **2010**
  - $2,299,111
- **% Change From 2009 Estimate**
  - 44.3%
FISCAL YEAR 2009/2010 TAX LEVY

<table>
<thead>
<tr>
<th>JURISDICTION</th>
<th>ASSESSED VALUATION (AV)</th>
<th>TAX LEVY</th>
<th>TAX RATE (PER $100 AV)</th>
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<tbody>
<tr>
<td>QUAIL CREEK COMMUNITY FACILITIES DISTRICT</td>
<td>$ 8,254,435</td>
<td>$ 24,763</td>
<td>$ 0.3000</td>
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<tr>
<td>Secondary</td>
<td></td>
<td>$247,633</td>
<td>$ 3.0000</td>
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<tr>
<td>Maintenance and Operation</td>
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<td></td>
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<tr>
<td>Bond Indebtedness (Debt Service)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL SECONDARY</td>
<td>$272,396</td>
<td></td>
<td>$ 3.3000</td>
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