

ARTICLES
OF INCORPORATION
OF
SAN LUIS FACILITY DEVELOPMENT CORPORATION]
(An Arizona Nonprofit Corporation)

KNOW ALL MEN BY THESE PRESENTS THAT:

The undersigned, being a natural person of the age of 18 years or more, and a resident of the State of Arizona, acting as an Incorporator of a Corporation under Section 10-3101 et seq. of the Arizona Revised Statutes (the "Arizona Nonprofit Code"), as amended, adopts the following Articles of Incorporation:

ARTICLE I

NAME

The name of the Corporation is SAN LUIS FACILITY DEVELOPMENT CORPORATION (hereinafter referred to as the "Corporation").

ARTICLE II

DURATION

The period of duration of the Corporation is perpetual.

ARTICLE III

REGISTERED OFFICE AND AGENT

The initial registered office of the Corporation shall be:

767 N. First Ave., P.O. Box 1170, San Luis, Arizona 85349

and the name of the initial registered agent at such address is:

Rosalicia Cordova, 767 N. First Ave., P.O. Box 1170, San Luis, Arizona 85349

ARTICLE IV

PURPOSES, POWERS AND OBJECTS

Section 4.01. Purposes. The Corporation is organized exclusively for the purpose of financing, owning and/or operating one or more public projects in the State of Arizona (collectively, the "Project") that effect economic development in the City of San Luis, Arizona (the "City") or the County of Yuma (the "County"), and to otherwise provide facilities, equipment and other physical plant and related support to the Project.

Section 4.02. Powers. The Corporation shall have the following powers:

(a) To receive and maintain a fund or funds of real or personal property, or both, and to use and apply the whole or any part of the income therefrom and the principal thereof for the purposes as hereinabove set forth.

(b) To have one or more offices and to conduct and carry on any of its business at any place in the State of Arizona as may be determined by the Board of Directors.

(c) To buy or otherwise acquire, sell or otherwise dispose of, mortgage or otherwise encumber, exchange, lease, hold, use, operate or otherwise deal in and with real, personal and mixed property of all kinds and any rights or interest therein for any purposes of the Corporation and the Project.

(d) To borrow money and secure the repayment of monies borrowed for any purpose of the Corporation.

(e) To have and exercise any and all of those powers specified in the Arizona Nonprofit Code.

(f) To do all and everything necessary, suitable and proper for the accomplishment of any of the purposes or the attainment of any of the objectives or furtherance of any of the powers hereinbefore set forth, either alone or in corporation with other corporations, firms, governmental authorities or individuals, and to do every other act or acts, thing or things incidental or appurtenant to and growing out of or connected with the aforesaid objects or purposes or any part or parts thereof, provided the same be not inconsistent with the laws under which the Corporation is organized.

ARTICLE V

DISSOLUTION

No individual of the Corporation shall have any right, title or interest in the assets of the Corporation. The Corporation may dissolve and wind up its affairs in the manner now or hereafter permitted or provided by the Arizona Nonprofit Code. Upon the dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Corporation, transfer all of the assets of the Corporation to the City. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction for the county in which the principal office of the Corporation is then located, exclusively for such purposes, or to such organization or organizations as said court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE VI

DIRECTORS

The number of Directors who shall conduct and manage the affairs of the Corporation shall be five. The names of the persons constituting the first Board of Directors, are:

Rosie Cordova

Nep Ramirez

Nieves Garcia Riedel

Rosa Varela

John Starkey

The address for each member of the first Board of Directors is:

767 N. First Avenue

P.O. Box 1170

San Luis, AZ 85349

Directors may be removed and vacancies on the Board of Directors shall be filled as provided by the Bylaws.

The Corporation shall indemnify its Directors to the full extent permitted by Arizona law. The personal liability of a Director to the Corporation for monetary damages for breach of fiduciary duty as a Director shall be limited to the full extent provided by Arizona law.

ARTICLE VII

OFFICERS

The Board of Directors may appoint a President, one or more Vice Presidents, a Secretary, a Treasurer and such other officers or assistant officers as the Board of Directors believes will be in the best interest of the Corporation. The officers shall have such duties as may be prescribed in the Bylaws of the Corporation and shall serve at the pleasure of the Board of Directors.

ARTICLE VIII

COMPENSATION

No compensation shall be paid to the Directors or officers of the Corporation, as such, for their services. However, nothing herein contained shall be construed to preclude the Corporation from paying any Director or officer reasonable compensation for other services rendered by such Directors or officers consistent with the purposes of the Corporation.

ARTICLE IX

BYLAWS

The Corporation may adopt Bylaws which shall contain provisions not inconsistent with these Articles of Incorporation, setting forth the rights, privileges, powers, duties and responsibilities of the Directors and officers. The Directors of the Corporation, as may be provided in the Bylaws, shall have the power, from time to time, to make, alter and amend the Bylaws as they shall deem proper for the management of the affairs of the Corporation.

ARTICLE X

COVENANTS REGARDING OPERATIONS

- (a) The Corporation shall not have any employees or engage in any business or activity other than in connection with or relating to the activities permitted in Article IV hereof.
- (b) The Corporation shall not consolidate or merge with or into any other entity or convey, transfer or lease its properties and assets substantially as an entirety to any entity through liquidation, dissolution or otherwise.
- (c) The Corporation shall not dissolve or liquidate, in whole or in part, if any obligation under the Indenture of Trust (the "Indenture"), between the Corporation and corporate trustee named therein, as trustee, is outstanding (or any obligation refunding such obligation is outstanding).

(d) The funds and other assets of the Corporation shall not be commingled with those of any other entity.

(e) The Corporation shall not hold itself out as being liable for the debts of any other entity.

(f) The Corporation shall not form, or cause to be formed, any subsidiaries nor shall the Corporation acquire any interest as a general or limited partner in any partnership or as a member in any limited liability company.

(g) The Corporation shall act solely in its corporate name and through its duly authorized officers or agents in the conduct of its business, and shall conduct its business so as not to mislead others as to the identity of the entity with which they are concerned.

(h) The Corporation shall maintain corporate records and books of account and shall not commingle its corporate records and books of account with the corporate records and books of account of any other entity. The books of the Corporation may be kept (subject to any provision contained in the statutes) inside the State of Arizona at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

(i) The Board of Directors of the Corporation shall hold appropriate meetings to authorize all of its corporate actions. Regular meetings of the Board of Directors shall be held not less frequently than once per annum.

(j) The Corporation shall at all times ensure that its capitalization is adequate in light of its business and purpose.

(k) Except to the extent set forth in an Indenture, no guarantees of loans or other indebtedness to third parties shall be made by the Corporation.

(l) No director of the Corporation shall be personally liable to the Corporation or its members for monetary damages for breach of fiduciary duty as a director; provided, however, that this Article shall not eliminate or limit the liability of a director to the extent the elimination or limitation thereof is prohibited by Title 10 of the Arizona Revised Statutes, as amended from time to time. For the purposes of this Article, the term "director" includes a trustee and a person who serves on the board or council of the Corporation in an advisory capacity.

(m) The income of the Corporation shall not inure to the benefit of any private person.

ARTICLE XI

OTHER INDEBTEDNESS

Except to the extent set forth in the Indenture, the Corporation shall not incur, assume or guaranty any indebtedness.

ARTICLE XII

ASSETS

The Corporation shall not transfer to any person or entity any assets of the Corporation except pursuant to the Indenture.

ARTICLE XIII

BANKRUPTCY/INSOLVENCY

The Corporation shall not, without the affirmative vote of the entire Board of Directors of the Corporation, (a) institute any proceedings to adjudicate the Corporation as bankrupt or insolvent, (b) consent to the institution of bankruptcy or insolvency proceedings against the Corporation, (c) file a petition seeking or consenting to reorganization or relief under any applicable federal or state law relating to bankruptcy with respect to the Corporation, (d) consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Corporation or a substantial part of its property, (e) make any assignment for the benefit of the Corporation's creditors; (f) cause the Corporation to admit in writing its inability to pay its debts generally as they become due; or (g) take any action, or cause the Corporation to take any action, in furtherance of any of the foregoing (any of the above foregoing actions, a "Bankruptcy Action"). No Director or officer of the Corporation shall (to the extent permitted by applicable law) be liable to the Corporation on account of such Director's or officer's good faith reliance on the provisions of this Article and the Corporation shall not have any claim for breach of fiduciary duty or otherwise against any Director or officer for failing to take any Bankruptcy Action.

ARTICLE XIV

MEMBERSHIP

The Corporation shall not have any members or membership rights as such terms are defined in the Arizona Nonprofit Code.

ARTICLE XV

INCORPORATOR

The name and address of the Incorporator is:

ARTICLE XVI

AMENDMENT

The right is expressly reserved to amend these Articles of Incorporation or any Article herein in any manner or respect now or hereafter permitted or provided for by the Arizona Nonprofit Code; provided, however, the Corporation shall not amend, alter, change or repeal any provision contained in these Articles of Incorporation without the unanimous vote in favor thereof of the entire Board of Directors.

IN WITNESS WHEREOF, I, the undersigned incorporator, have set my hand, as of the th day of , 2005.

, Incorporator

ACCEPTANCE OF APPOINTMENT AS STATUTORY AGENT

_____, having been designated to act as Statutory Agent for San Luis Facility Development Corporation, hereby consents to act in that capacity until removed or his resignation is submitted.

Dated: _____, 2005.

ATTACHMENT B
CERTIFICATE OF GOOD STANDING

ATTACHMENT C

BY-LAWS

BYLAWS
OF
[SAN LUIS FACILITY DEVELOPMENT CORPORATION]
(An Arizona Nonprofit Corporation)

ARTICLE I

NAME

The name of the Corporation is [SAN LUIS FACILITY DEVELOPMENT CORPORATION] (hereinafter referred to as the "Corporation").

ARTICLE II

MEMBERSHIP

The Corporation shall not have any members or membership rights as such terms are defined in Section 10-3101 et seq. of the Arizona Revised Statutes, or the corresponding sections of any future Arizona nonprofit code.

ARTICLE III

BOARD OF DIRECTORS

Section 3.01. General Powers. The affairs of the Corporation shall be managed by its Board of Directors. The Board of Directors shall have the powers and duties necessary for the administration of the Corporation's affairs and for the operation and maintenance of any and all Corporation property. The Directors shall in all cases act as a Board; and they may adopt such rules and regulations for the conduct of their meetings and the management of the Corporation as they deem proper, not inconsistent with these Bylaws, the Articles of Incorporation or the laws of the State of Arizona.

Section 3.02. Other Powers and Duties. Without limiting the generality of the foregoing, the Board of Directors shall be empowered and shall have the duties as follows:

- (a) To borrow funds and to give security therefor in order to pay any expenditure or outlay required pursuant to the authority granted by the provisions of the Articles of Incorporation and these Bylaws, and to execute all such instruments evidencing such indebtedness as the Board of Directors may deem necessary; and such indebtedness shall be the obligation of the Corporation.

(b) To establish one or more bank accounts for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Directors.

(c) To keep and maintain, or cause the same to be kept and maintained, detailed, accurate records in chronological order of receipts and expenditures affecting the Corporation.

(d) To prepare not less often than once per year a statement showing all receipts, expenses or disbursements since the last such statement.

(e) To meet at such intervals as shall be deemed appropriate by the Board of Directors.

(f) To buy or otherwise acquire, sell or otherwise dispose of, mortgage or otherwise encumber, exchange, lease, hold, use, operate or otherwise deal in and with real, personal and intangible property of all kinds and all rights or interests therein for any purpose of the Corporation.

(g) To enter into contracts for services and facilities for the benefit of the Corporation and to do all acts that a natural person could do for the benefit of the Corporation.

(h) In general, to carry on the administration of the Corporation, to do all of those things necessary and reasonable in order to carry out the governing, administration and operation of the Corporation.

Section 3.03. Number. The Board of Directors shall consist of five Directors.

Section 3.04. Election and Term of Office. Directors shall be elected to serve terms of three years. The Directors shall hold office until their successors have been elected and held their first meeting. Directors shall be elected by the City Council of the City of San Luis, Arizona (the "City").

Section 3.05. Vacancies. Vacancies in the Board of Directors shall be filled by the City Council of the City. Each person so elected or appointed shall be a Director for the remainder of the term of the Director so replaced.

Section 3.06. Removal of Members of Board of Directors. Any Director may only be removed, with or without cause, with the approval of the City Council of the City; and a successor may then and there be elected to fill the vacancy and unexpired term thus created. Any Director whose removal has been proposed shall be given an opportunity to be heard at such meeting.

Section 3.07. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business; and the act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of

Directors, unless otherwise provided in these Bylaws. If, at any meeting of the Board of Directors, there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is present. At such adjourned meeting subsequently held, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 3.08. Annual Meetings. An annual meeting of the Board of Directors shall be held each year in a month selected by the Board of Directors. At such annual meeting, officers of the Corporation shall be appointed by the Board of Directors.

Section 3.09. Special Meetings. Special meetings of the Board of Directors may be called by the President on at least twenty-four (24) hours notice to each Director, given personally or by mail, electronic transmission, telephone, telegraph or facsimile, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors may also be called by the President in like manner and on like notice upon the request of a majority of the Directors.

Section 3.10. Location of Meetings. All meetings of the Board of Directors shall be held at such location as shall, from time to time, be designated by the Board of Directors.

Section 3.11. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting; and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall constitute a waiver of notice by him or her of the time and place thereof; unless the Director attends the meeting for the express purpose of objecting to the transaction of any business before the meeting which is not lawfully called or convened.

Section 3.12. Action Taken Without Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 3.13. Meetings by Telephone. One or more Directors may participate in a meeting of the Board of Directors by means of a conference telephone or similar communications arrangement by which all participants in the meeting can hear each other at the same time. Such participation shall be equivalent for all purposes to attendance in person at such meeting.

ARTICLE IV

OFFICERS

Section 4.01. Designation. The principal officers of the Corporation shall be a President, one or more Vice Presidents (at the option of the Board of Directors), a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors, and such assistant officers as the Board of Directors shall, from time to time, designate. The President shall be a member of

the Board of Directors and the Vice President(s), Treasurer and Secretary may, but need not, be members of the Board of Directors.

Section 4.02. Election and Term of Officers. The officers of the Corporation shall be elected annually by the Board of Directors, and shall hold office at the pleasure of the Board of Directors. One person may hold concurrently any two offices; provided, however, that the offices of President and Secretary shall not be held by the same person. The office of Vice President need not be filled.

Section 4.03. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his or her successor elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for such purpose.

Section 4.04. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by a majority vote of the members of the Board of Directors.

Section 4.05. President. The President shall be the chief executive officer of the Corporation and, subject to the control of the Directors, shall, in general, supervise and control all of the business and affairs of the Corporation. He or she shall preside at all meetings of the Board of Directors. He or she shall cause to be called regular and special meetings of the Board of Directors in accordance with these Bylaws. He or she shall have the power to appoint committees from among the members of the Board of Directors, from time to time as he or she may, in his or her discretion, decide is appropriate to assist in the conduct of the affairs of the Corporation. He or she shall sign and make all contracts and agreements in the name of the Corporation. He or she shall enforce these Bylaws and perform all of the duties incident to the position and office and which are required by law.

Section 4.06. Vice President. The Vice President shall have the powers and authority and shall perform all functions and duties of the President in the absence of the President or his or her inability, for any reason, to exercise such powers and functions or perform such duties.

Section 4.07. Secretary. The Secretary shall keep all minutes of the meetings of the Board of Directors and minutes of all meetings of the Corporation; he or she shall have charge of such books and papers as the Board of Directors may direct; and he or she shall, in general, perform all duties incident to the office of Secretary.

Section 4.08. Treasurer. The Treasurer shall have the responsibility for supervising the Corporation's funds and shall be responsible for supervising all receipts and disbursements in books belonging to the Corporation. He or she shall, in general, perform all of the duties incident to the office of Treasurer.

Section 4.09. Agreements, Deeds, Checks, Etc. All agreements, deeds, leases, checks and other instruments of the Corporation shall be executed by any officer of the Corporation or by any other person or persons designated by the Board of Directors.

ARTICLE V

NONPROFIT CORPORATION

This Corporation is a nonprofit corporation organized under Arizona law. No Director or officer shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof; and in no event shall part of the funds or assets of the Corporation be paid as salary or compensation to, or distributed to, or inure to the benefit of, any member of the Board of Directors or officer of the Corporation; provided, however, (a) that reasonable compensation may be paid to any Director or officer while acting as an agent or employee of the Corporation for services rendered in effectuating the purposes of the Corporation; and (b) that any Director or officer may, from time to time, be reimbursed for actual and reasonable expenses incurred in connection with the administration of the affairs of the Corporation.

ARTICLE VI

AMENDMENT

These Bylaws may be amended by the Board of Directors by a vote of two-thirds of the votes entitled to be cast by the Board of Directors at a meeting of the Board of Directors, provided that written notice has been given to each member of the Board of Directors at least two weeks prior to the date of said meeting.

ARTICLE VII

INDEMNIFICATION

The Corporation shall indemnify Directors and officers of the Corporation to the maximum extent permitted by Arizona law, as amended from time to time.

ARTICLE VIII

To the extent permitted by applicable law, no Director or officer of the Corporation shall have individual liability for the payment or performance of debts or obligations of the Corporation.

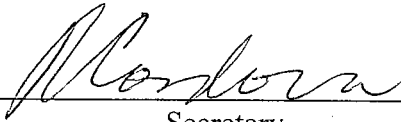
ARTICLE IX

ENACTMENT CLAUSE

These Bylaws of the Corporation, as amended and approved by the Board of Directors, shall become effective immediately.

IN WITNESS WHEREOF, the undersigned has hereunto set the official hand and seal of the Corporation this 11th day of October, 2005.

[SAN LUIS FACILITY DEVELOPMENT CORPORATION], an Arizona Nonprofit Corporation

By 
Secretary

ATTACHMENT D
RESOLUTIONS DATED
OCTOBER __, 2005

RESOLUTION NO. 2005-1

RESOLUTION OF THE BOARD OF DIRECTORS OF SAN LUIS FACILITY DEVELOPMENT CORPORATION APPOINTING OFFICERS AND DIRECTORS

WHEREAS, San Luis Facility Development Corporation, an Arizona nonprofit corporation (the "Corporation") duly formed on March 23, 2005 desires to appoint the following Board Members as officers of the Corporation:

<u>TITLE</u>	<u>NAME</u>
President	<u>NIEVES GARCIA RIEDEL</u>
Vice-President	<u>JOHN STARKEY</u>
Secretary XXXXXXXX	<u>ROSIE CORDOVA</u>
Assistant Secretary Treasurer	<u>NEP RAMIREZ</u>

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SAN LUIS FACILITY DEVELOPMENT CORPORATION THAT:

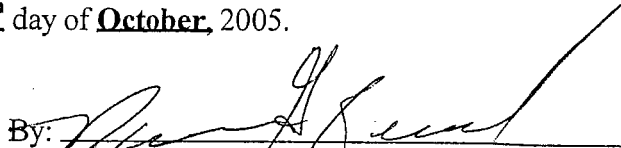
Section 1. The above officers are hereby appointed by this Resolution of the Corporation in accordance with the Corporation's By-Laws.

Section 2. Any provisions of any bylaws, orders, procedural pamphlets and resolutions inconsistent herewith are hereby waived to the extent only of such inconsistency. This waiver shall not be construed as reviving any bylaw, order or resolution or any part thereof.

Section 3. It is hereby found and determined that all formal actions of the Corporation and its Board of Directors concerning and relating to the adoption of this Resolution were adopted in an open meeting and that all deliberations that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements of the State of Arizona and the Corporation.

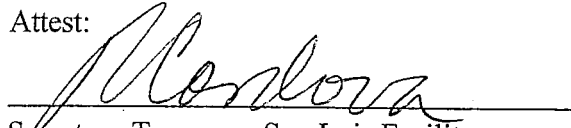
Section 4. This Resolution shall be effective immediately.

ADOPTED AND APPROVED this 11th day of October, 2005.

By: 

President, San Luis Facility Development Corporation

Attest:



Secretary-Treasurer, San Luis Facility Development Corporation

Section 3. It is hereby determined that: (i) the Corporation was formed to assist the City in financing or refinancing its capital improvement projects at no profit to the Corporation; (ii) the Corporation desires to finance the Project by the issuance of its Series 2005 Bonds; (iii) the Corporation will enter into the Design Agreement, the Construction Agreement and the Management Agreement; (iv) the Corporation has not and will not make any profit by reason of the assistance it renders the City in connection with the issuance of the Series 2005 Bonds; and (v) the Corporation is authorized by law and deems it necessary to borrow money for purposes of carrying out its obligations under the Basic Documents by issuing the Series 2005 Bonds, and to secure the payment of the principal of, premium, if any, and interest on the Series 2005 Bonds and the performance of the covenants and conditions contained in the Basic Documents.

Section 4. The Series 2005 Bonds are hereby authorized to be issued as one or more series of special obligation bonds to be designated Senior Lien Project Revenue Bonds (San Luis Regional Detention Center Project), Series 2005. The Series 2005 Bonds shall be issued in an aggregate principal amount not to exceed \$28,195,000, shall mature no later than May 1, 2027, and shall be dated and pay interest on the dates described in the Indenture, and shall bear interest at a rate not to exceed 7.50% per annum.

The form, terms and provisions of the Series 2005 Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption and number shall be as set forth in the Indenture and are hereby approved.

Section 5. The forms, terms and provisions of the Series 2005 Bonds, in the forms contained in the Indenture, be and they hereby are approved, with only such changes therein as are not inconsistent herewith and as are approved by the officers authorized to execute the Series 2005 Bonds and each is hereby authorized to deliver them. The signatures of the President or Vice President and the Secretary-Treasurer on the Bonds may be by facsimile.

Section 6. The forms, terms and provisions of the Basic Documents, in substantially the forms of such documents (including the exhibits thereto) presented to this meeting, are hereby approved, with such insertions, deletions and changes as are not inconsistent herewith and as are approved by the officers authorized to execute the documents (which approval will be conclusively demonstrated by their execution thereof), and the President or the Vice President and the Secretary-Treasurer, or any of such officers, is hereby authorized, empowered and directed to execute and deliver the Basic Documents.

Section 7. The Series 2005 Bonds are hereby sold to the Purchaser in accordance with the terms of the Purchase Agreement (which is hereby approved) and at the price specified therein, as submitted to the Corporation by the Purchaser. The President or the Vice President, or either of such officers, is hereby authorized, empowered and directed to execute and deliver the Purchase Agreement.

Section 8. The President, the Vice President or the Secretary-Treasurer is each authorized to execute and deliver to the Trustee the written order of the Corporation for the authentication and delivery of the Series 2005 Bonds by the Trustee.

Section 9. Upon the delivery of the Series 2005 Bonds, the proceeds of the Series 2005 Bonds shall be deposited as set forth in the Indenture.

Section 10. The officers of the Corporation shall take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated thereby, including without limitation, the execution and delivery of the closing and other documents required to be delivered in connection with the sale and delivery of the Series 2005 Bonds.

Section 11. The distribution of the Preliminary Official Statement is hereby ratified and confirmed and the President, Vice President or Secretary-Treasurer are hereby authorized and directed to execute and deliver the Official Statement, in substantially the form presented to this meeting, with such changes as may be acceptable to such officers of the Corporation, and the distribution of the Official Statement is hereby approved.

Section 12. The Series 2005 Bonds shall be special limited obligations of the Corporation payable solely from sources identified in the Indenture. Nothing contained in this Resolution or in the Basic Documents or any other instrument, shall be construed as obligating the Corporation, except to the extent provided in such documents or instruments, or as incurring a charge upon the general credit of the Corporation nor shall the breach of any agreement contained in this Resolution, the Basic Documents or any other instrument or documents executed in connection therewith impose any charge upon the general credit of the Corporation.

Section 13. U.S. Bank National Association, Phoenix, Arizona is hereby confirmed as Trustee, Registrar and Paying Agent under the Indenture.

Section 14. In consideration of the purchase and acceptance of the Series 2005 Bonds by the registered owners and holders thereof from time to time, and in consideration of retaining the exemption from federal income taxation of the interest paid thereon, the Corporation covenants, and the appropriate officials of the Corporation are hereby directed, to take all action required, or to refrain from taking any action prohibited, by the Internal Revenue Code of 1986, as amended and as supplemented by all applicable Treasury Regulations promulgated in connection with any applicable section thereof (hereinafter referred to as, collectively the "Code") to preserve the tax exempt status of the interest income of the Series 2005 Bonds.

Section 15. After any of the Series 2005 Bonds are delivered by the Trustee to the Purchaser upon receipt of payment therefore, this Resolution shall be and remain irrevocable until the Bonds and the interest thereon shall have been fully paid, cancelled and discharged.


Section 16. 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.

Section 17. Any provisions of any bylaws, orders, procedural pamphlets and resolutions inconsistent herewith are hereby waived to the extent only of such inconsistency. This waiver shall not be construed as reviving any bylaw, order or resolution or any part thereof.

Section 18. It is hereby found and determined that all formal actions of the Corporation and its Board of Directors concerning and relating to the adoption of this Resolution were adopted in an open meeting and that all deliberations that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements of the State of Arizona and the Corporation.

Section 19. This Resolution shall be effective immediately.

ADOPTED AND APPROVED this **11th** day of **October**, 2005.

By: 
President, San Luis Facility Development Corporation

Attest:

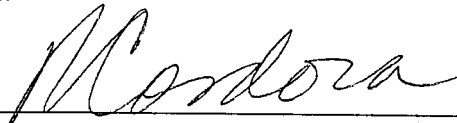

Secretary-Treasurer, San Luis Facility Development Corporation

EXHIBIT "A"

ARTICLES OF AMENDMENT

SAN LUIS FACILITY DEVELOPMENT CORPORATION

Pursuant to the provisions of Arizona Revised Statutes Section 10-3101 et seq. ("**Arizona Nonprofit Code**"), the San Luis Facility Development Corporation, an Arizona nonprofit corporation (sometimes referred to herein as the "**Corporation**") adopts the amendment to its Articles of Incorporation set forth in Article Two of these Articles of Amendment.

ARTICLE ONE NAME OF CORPORATION

The name of the nonprofit corporation is San Luis Facility Development Corporation.

ARTICLE TWO RESOLUTIONS OF AMENDMENT

Resolutions to amend **Article XVI** of the Articles of Incorporation of the Corporation and to adopt a new **Article XV** of the Articles of Incorporation of the Corporation were adopted by a unanimous vote of the entire Board of Directors of the Corporation at a duly called and conducted meeting of the Board of Directors of the Corporation on October 11, 2005. **Article XVI** of the Articles of Incorporation was amended and a new **Article XV** was added to the Articles of Incorporation pursuant to the following resolutions:

RESOLVED, that **Article XVI** of the Articles of Incorporation of this Corporation be, and hereby is, amended to read as described below.

The personal liability of a member of the Board of Directors of this Corporation to the Corporation or its members for money damages for any action taken or any failure to take any action as a director is eliminated and such directors are immune to the extent provided by the Arizona Nonprofit Code, including (without limitation) A.R.S. Section 10-3202, and any amendments thereto.

RESOLVED, that **Article XV** of the Articles of Incorporation of this Corporation (formerly Article XIV of the Articles of Incorporation) is hereby added to the Articles of Incorporation as described below.

RESOLUTION NO. 2005-3

RESOLUTION OF THE BOARD OF DIRECTORS OF SAN LUIS FACILITY DEVELOPMENT CORPORATION AUTHORIZING THE ISSUANCE OF ITS NOT TO EXCEED \$28,195,000 AGGREGATE PRINCIPAL AMOUNT OF SENIOR LIEN PROJECT REVENUE BONDS (SAN LUIS REGIONAL DETENTION CENTER PROJECT), SERIES 2005, FOR THE PURPOSE OF FINANCING, ON BEHALF OF THE CITY OF SAN LUIS, THE SAN LUIS REGIONAL DETENTION SUPPORT AND TRANSFER CENTER; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY BY THE CORPORATION OF A TRUST INDENTURE APPROPRIATE FOR THE PROTECTION AND DISPOSITION OF REVENUES, A DESIGN AGREEMENT, A CONSTRUCTION AGREEMENT, A MANAGEMENT AGREEMENT, A BOND PURCHASE AGREEMENT, AND CERTAIN OTHER DOCUMENTS; AND APPROVING AN OFFICIAL STATEMENT RELATING TO THE SERIES 2005 BONDS

WHEREAS, San Luis Facility Development Corporation, an Arizona nonprofit corporation (the "Corporation") was formed to transact any or all lawful business for which nonprofit corporations may be incorporated under the laws of the State of Arizona, including, without limiting the generality of the foregoing, any civic or charitable purpose such as financing or refinancing the cost of acquiring, constructing, reconstructing or improving buildings, equipment or other real and personal properties suitable for use by the City of San Luis, Arizona (the "City"), or its agencies or instrumentalities; and

WHEREAS, the City has now determined to finance an approximately 450-bed San Luis Regional Detention Support and Transfer Center (the "Project"); and

WHEREAS, in order to finance the Project, the Corporation and the City deem it necessary and desirable for the Corporation to issue its not to exceed \$28,195,000 aggregate principal amount of Senior Lien Project Revenue Bonds (San Luis Regional Detention Center Project) Series 2005 (the "Series 2005 Bonds"); and

WHEREAS, in connection with the issuance of the Series 2005 Bonds, the Corporation will enter into a standard form AIA Agreement, dated as of October 1, 2005 with Robert D. Runyon, AIA, in association with F.C. Cuny Corporation (the "Design Agreement"); and

WHEREAS, the Corporation and the City will also enter into a Construction Management Agreement, dated as of October 1, 2005 with Hale-Mills Construction, Ltd. (the "Construction Agreement"); and

WHEREAS, the Corporation and the City will also enter into a Facility Operation and Management Agreement, dated as of October 1, 2005 with CiviGenics-Texas, Inc. (the "Management Agreement"); and

WHEREAS, the Series 2005 Bonds and any additional bonds will be secured by a Trust Indenture, dated as of October 1, 2005 (the "Indenture"), between the Corporation and U.S. Bank National Association, as trustee (the "Trustee"); and

WHEREAS, the Series 2005 Bonds will be secured by a Deed of Trust, Assignment of Rents and Leases, and Security Agreement (the "Deed of Trust") and the revenues generated by the Project (the "Project Revenues"); and

WHEREAS, the Corporation has not made and does not intend to make any profit by reason of any business or venture in which it may engage or by reason of the assistance it renders the City in financing the Project, and no part of the Corporation's net earnings, if any, will ever inure to the benefit of any person, firm or corporation except the City; and

WHEREAS, the Corporation, an Arizona nonprofit corporation, is authorized and empowered, among other things (a) to issue its special obligation bonds for the purposes of assisting the City in acquiring, constructing and equipping municipal improvements and otherwise incurring expenses to improve the use of municipal facilities, or the refinancing thereof, (b) to enter into leases and other necessary documents and to provide for rentals sufficient to pay the principal of, premium, if any, and interest on such bonds, (c) to secure such bonds as provided for herein, and (d) to enact this Resolution and enter into the Indenture, the Design Agreement, Construction Agreement and Management Agreement, all as hereinbefore or hereinafter defined, upon the terms and conditions provided herein and therein; and

WHEREAS, there have been placed on file with the Secretary-Treasurer of the Corporation and presented to this meeting (i) the proposed form of the Indenture, (ii) the proposed form of the Deed of Trust, (iii) the proposed form of the Design Agreement, (iv) the proposed form of the Construction Agreement, (v) the proposed form of the Management Agreement (the Indenture, the Deed of Trust, the Design Agreement, the Construction Agreement and the Management Agreement being referred to herein collectively as the "Basic Documents"), (vi) the proposed form of Purchase Agreement (the "Purchase Agreement") submitted by Municipal Capital Markets Group, Inc. and Herbert J. Sims & Co., Inc. (the "Purchasers") for the purchase of the Series 2005 Bonds, and (vii) the form of Preliminary Official Statement for the Series 2005 Bonds (the "Preliminary Official Statement"), which is hereby ratified and confirmed and which, revised after the sale of the Series 2005 Bonds shall constitute the form of the Official Statement relating to the Series 2005 Bonds (the "Official Statement").

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SAN LUIS FACILITY DEVELOPMENT CORPORATION THAT:

Section 1. In addition to words and terms elsewhere defined in this Resolution, the capitalized words and terms used herein shall have the meanings given in Article I of the Indenture.

Section 2. All actions (not inconsistent with the provisions of this Resolution) heretofore taken by or at the direction of the Corporation and its officers directed toward the sale and issuance of the Series 2005 Bonds are hereby approved and ratified.



Resolution

CITY OF SAN LUIS, ARIZONA

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

RESOLUTION NO. 593

A RESOLUTION APPROVING THE ORGANIZATION OF A NONPROFIT CORPORATION KNOWN AS SAN LUIS FACILITY DEVELOPMENT CORPORATION; APPROVING THE ISSUANCE BY SUCH CORPORATION OF ITS PROJECT REVENUE BONDS; AGREEING TO ACCEPT TITLE TO THE ASSETS FINANCED BY THE CORPORATION'S BONDS UPON THE REPAYMENT OF SUCH BONDS; APPOINTING CERTAIN DIRECTORS OF SUCH CORPORATION; AND RATIFYING ACTION PREVIOUSLY TAKEN AND APPERTAINING THERETO.

WHEREAS, the City of San Luis (the "City"), in the County of Yuma and State of Arizona, is a legally created, established, organized and existing municipal corporation under the provisions of the Constitution of the State of Arizona (the "Constitution"); and

WHEREAS, under Article 13, Section 5 of the Constitution, the City has the right to engage in any business or enterprise which may be engaged in by any person, firm or corporation; and

WHEREAS, in order to facilitate the financing of various economic development Projects (the "Projects"), the City desires to create a nonprofit public benefit corporation (the "Corporation"); and

WHEREAS, The Corporation shall be a nonprofit corporation under Arizona law, Section 10-3101 et seq. of the Arizona Revised Statutes, or the corresponding sections of any future Arizona nonprofit code (the "Arizona Nonprofit Code"); and

WHEREAS, the Corporation is authorized to borrow money and issue bonds and other obligations, and to secure such obligations by mortgage or pledge of all or any part of its property interests and income; and

WHEREAS, to provide the funds needed to finance the costs of the Projects, the Corporation may issue its Revenue Bonds in one or more series (the "Bonds"); and

WHEREAS, the Bonds will be issued pursuant to the terms and provisions of an Indenture of Trust (the "Indenture"), between the Corporation and the corporate trustee named therein, as trustee (the "Trustee"); and

WHEREAS, the interest on the Bonds is intended to be exempt from the gross income of the registered owners thereof for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, in order for the interest on the Bonds to be exempt from the gross income of the registered owners thereof for federal income tax purposes, the Corporation and the Bonds must meet certain conditions set for in the Code and the regulations and rulings promulgated thereunder; and

WHEREAS, the Articles of Incorporation for the Corporation provide that four of the five directors of the Corporation are to be appointed by the City Council of the City; and

WHEREAS, the Code and the regulations and the rulings promulgated thereunder require that the City approve the formation of the Corporation and the issuance of the Bonds thereby and agree to accept title to the Projects, including any additions to the Projects, upon the retirement of the Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA:

Section 1. Definitions. The terms not defined in this Resolution shall have the meanings set forth in the Indenture.

Section 2. Ratification. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the Council and officers of the City relating to the organization of the Corporation and the development and operation of the Projects is hereby ratified, approved and confirmed.

Section 3. Approval of the Organization of the Corporation. The organization of the Corporation is hereby approved. The Articles of Incorporation of said Corporation shall be substantially in the form as attached as an exhibit hereto, which, by reference, is hereby incorporated herein.

Section 4. Approval of the Issuance of the Bonds. The issuance of the Bonds by the Corporation for the financing of the Projects is hereby approved.

Section 5. Agreement to Accept Title to the Projects. The City hereby agrees to accept title to the Projects upon the repayment of the Bonds.

Section 6. Appointment of Directors of the Corporation. The City Council of the City hereby appoints the following members as interim Directors of the Corporation who are also authorized to serve as incorporators of said corporation:

1. Rosie Cordova, City Manager
2. Nep Ramirez, Finance Director
3. Nieves Garcia Riedel, Council Member
4. Rosa Varela, Council Member

Section 7. Severability Clause. 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.

Section 8. Repealer Clause. All bylaws, orders or resolutions, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order or resolution, or part thereof, heretofore repealed.

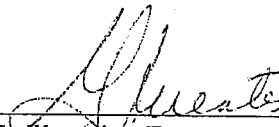
Section 9. Recordation. A true copy of this Resolution, as adopted by the governing body of the City, shall be numbered and recorded.

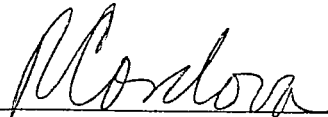
Section 10. Further Action. The officers of the City are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Resolution.

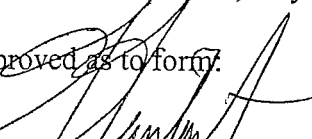
Section 11. Captions. The captions or headings in this Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Resolution.

Section 12. Applicable Provisions of Law. This Resolution shall be governed by and construed in accordance with the laws of the State of Arizona.

FINALLY ADOPTED AND APPROVED at its regular meeting on March 23, 2005 by the Council.

By  _____
Guillermina Fuentes, Mayor

Attest:
By  _____
Rosalicia Cordova, City Clerk

Approved as to form:
By  _____
Glenn Gimbut, City Attorney

WHEN RECORDED MAIL TO:
CITY OF SAN LUIS
P.O. BOX 1170
SAN LUIS, AZ 85349
ATTN: CITY CLERK

OFFICIAL RECORDS OF
PIMA COUNTY RECORDER
SUSAN MARLER



FEE #: 2005 - 27737

06/28/2005 11:53 PAGES: 0003
FEES: 3.00 8.00 1.00 .00 .00
REQ BY: CITY OF SAN LUIS
REC BY: Johnna Erwin

The above area is to be reserved for recording information

C A P T I O N H E A D I N G :

Resolution No. 605



Resolution

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

RESOLUTION NO. 605

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SAN LUIS AMENDING RESOLUTION NO. 593; APPOINTING AN ADDITIONAL DIRECTOR OF THE NONPROFIT CORPORATION KNOWN AS SAN LUIS FACILITY DEVELOPMENT CORPORATION.

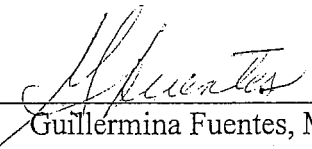
Whereas on March 23, 2005 the City Council of the City of San Luis approved Resolution No. 593; which authorized the formation of the San Luis Facility Development Corporation, and appointed four (4) initial directors of said corporation;

Whereas there is a desire to amend the resolution and appoint a fifth director;

NOW THEREFORE be it resolved of the Mayor and Council of the City of San Luis, Arizona as follows:

Section 1: Resolution No. of the Mayor and City Council of the City of San Luis, Arizona is hereby amended to appoint **JOHN STARKEY** as the fifth initial director of the nonprofit corporation known as San Luis Facility Development Corporation.

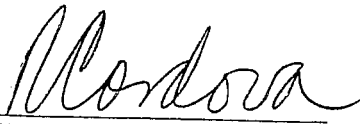
FINALLY ADOPTED AND APPROVED at its regular meeting on May 11, 2005 by the Council.

By: 
Guillermina Fuentes, Mayor

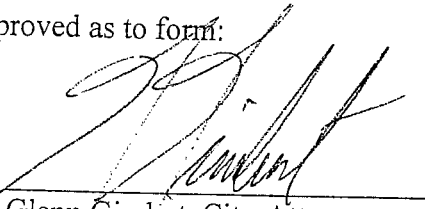
27737

WHEN RECORDED MAIL TO:
CITY OF SAN LUIS
P.O. BOX 1170
SAN LUIS, AZ 85349
ATTN: CITY CLERK

Attest:

By: 
Rosalicia Cordova, City Clerk

Approved as to form:

By: 
Glenn Gimbut, City Attorney

27737

WHEN RECORDED MAIL TO:
CITY OF SAN LUIS
P.O. BOX 1170
SAN LUIS, AZ 85349
ATTN: CITY CLERK