

\$200,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 10
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2016

CLOSING: March 24, 2016

CLOSING INDEX

The following are to be delivered as a condition precedent to the issuance and delivery of the above-referenced bonds (the "*Bonds*") of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "*Issuer*"):

FINANCING DOCUMENTS

1. (a) Agenda and minutes of District Board meeting held on February 2, 2016;
(b) Certified copy of Resolution No. 02-16, Providing for the Issuance of Bonds.
2. Bond Registrar, Transfer Agent and Paying Agent Contract.
3. Closing Certificate of the Issuer.
4. Tax Certificate of the District.
5. Costs of Issuance Disbursement.
6. Assessment Collection Agreement.
7. Closing Certificate of City of Buckeye, Arizona.
8. Closing Certificate of Company (Pulte Home Corporation).
9. Owner Indemnity Letter (from Pulte Home Corporation).
10. Bond Registrar's Certificate of Completion and Authentication.
11. Acknowledgement and Request for Authentication and Delivery of Bonds.
12. Placement Agent Agreement.
13. Certificate of Financial Advisor Regarding Yield.
14. Certificate of Placement Agent as to Issue Price.
15. Receipt for Bonds.

16. Certificates of Qualified Investors.
17. Specimen Bond.
18. Copy of Blanket Issuer Letter of Representations with Depository Trust Company.
19. Settlement, Delivery and Closing Procedures, including Debt Retirement Schedule.
20. Report of Bond and Security Issuance to the Arizona State Treasurer; Certificate of Mailing.
21. IRS Form 8038-G (Information Return for Tax-Exempt Governmental Obligations); Certificate of Mailing.

OPINIONS

22. Approving Opinion of Gust Rosenfeld P.L.C.
23. Opinion of Counsel for Pulte Home Corporation.

ASSESSMENT DOCUMENTS

24. Feasibility Report.
25. Evidence of Publication of Notice of Hearing on Feasibility Report.
26.
 - (a) Agenda and Minutes of District Board meeting of January 19, 2016;
 - (b) Resolution No. 15-15 Resolution of Intention and Approving Feasibility Report & Public Hearing;
 - (c) Resolution No. 16-15 Ordering the Work;
 - (d) Resolution No. 17-15 Approving Levying of Assessment and Assessment Diagram; and
 - (e) Resolution No. 01-16 Approving Levy of Assessment.
27. Waiver and Development Agreement.
28. Warrant, Assessment, Return and Certified List.
29. Notice of Recording of Assessment.

Executed counterparts or copies thereof, as appropriate, of the documents will be distributed to the following parties:

Festival Ranch Community Facilities District (Issuer) (2 CDs)
 City of Buckeye (1 paper, 2 CDs)
 Pulte Home Corporation (1 CD)
 Stifel, Nicolaus & Company, Incorporated (3 CDs)
 FirstSouthwest, a division of Hilltop Securities Inc. (1 CD)
 Gust Rosenfeld P.L.C. (Bond Counsel) (1 CD)
 Zions Bank, a Division of ZB, National Association (Registrar/Paying Agent) (1 CD)
 Berens, Kozub, Kloberdanz & Blonstein, PLC (1 CD)



PLEASE SILENCE ALL ELECTRONIC COMMUNICATION DEVICES. THANK YOU.

NOTICE OF POSSIBLE QUORUM OF THE CITY OF BUCKEYE PLANNING AND ZONING COMMISSION OR OTHER COUNCIL APPOINTED BOARD: PLEASE NOTE THAT THERE MAY BE A QUORUM PRESENT BUT THERE WILL BE NO VOTING TAKING PLACE BY THE CITY PLANNING AND ZONING COMMISSION OR OTHER COUNCIL APPOINTED BOARD AT THIS MEETING.

**JOINT MEETING OF THE
COMMUNITY FACILITIES DISTRICTS CITY OF BUCKEYE, ARIZONA
PURSUANT TO SECTIONS 48-711, 48-715 AND TITLE 38, CHAPTER 3, ARTICLE 3.1
ARIZONA REVISED STATUTES, AS AMENDED**

**ANTHEM SUN VALLEY COMMUNITY FACILITIES DISTRICT
ELIANTO COMMUNITY FACILITIES DISTRICT
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
MIRIELLE COMMUNITY FACILITIES DISTRICT
SUNDANCE COMMUNITY FACILITIES DISTRICT
TARTESSO WEST COMMUNITY FACILITIES DISTRICT
TRILLIUM COMMUNITY FACILITIES DISTRICT
VERRADO DISTRICT 1 COMMUNITY FACILITIES DISTRICT
VERRADO WESTERN OVERLAY COMMUNITY FACILITIES DISTRICT
WATSON ROAD COMMUNITY FACILITIES DISTRICT
WESTPARK COMMUNITY FACILITIES DISTRICT**

**FEBRUARY 2, 2016
AGENDA**

**City Council Chambers
530 E. Monroe Avenue
Buckeye, AZ 85326
Immediately following the 6:00 p.m. Regular Council Meeting**

1. Call to Order/Roll Call

Board Action: None.

2. Board to Approve the Minutes of the January 5, 2016 Watson Road Community Facilities District Meeting.

Board Action: Motion to approve.

- 3. Action Resolution No. 01-16 Board of Directors of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) Approving the Assessment and Proceedings for the Festival Ranch Community Facilities District, Determining the Work has been Completed in Accordance with the Plans and Specifications, and Ordering the Collection of the Amount Assessed
Liaison: Woody Scoutten, District Engineer
District No. 4**

Board to adopt Resolution No. 01-16 (Festival Ranch) approving the assessment and the proceedings heretofore had and taken for the Festival Ranch Community Facilities District (City of Buckeye, Arizona), determining the work has been completed in accordance with the plans and specifications, and ordering the collection of the amount assessed.

Board Action: Motion to approve.

4. **Action Resolution No. 02-16 Board of Directors of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) Authorizing the Issuance of its Assessment District No. 10 Special Assessment Revenue Bonds, Series 2016 (Private Placement), in the Aggregate Principal Amount of Not to Exceed \$200,000; Approving the Form and Authorizing the Execution and Delivery of a Placement Agent Agreement Relating to the Bonds, a Registrar, Transfer Agent and Paying Agent Contract and Certain Other Documents Securing the Payment of or Relating to the Bonds; Awarding the Bonds to the Original Purchasers Thereof; Taking Other Actions Securing the Payment of and Relating to the Bonds**
Liaison: Woody Scoutten, District Engineer
District No. 4

Board to adopt Resolution No. 02-16 (Festival Ranch) authorizing the issuance of its Assessment District No. 10 Special Assessment Revenue Bonds, Series 2016 (Private Placement), in the aggregate principal amount of not to exceed \$200,000; approving the form and authorizing the execution and delivery of a Placement Agent Agreement relating to the bonds, a Registrar, Transfer Agent and Paying Agent Contract and certain other documents securing the payment of or relating to the bonds; awarding the bonds to the original purchasers thereof; and taking other actions securing the payment of and relating to the bonds.
Board Action: Motion to approve.

5. **Citizen Input/Appearances from the Floor**
Board Action: None.

6. **Adjournment**
Board Action: Motion to adjourn.



**JOINT MEETING OF THE
COMMUNITY FACILITIES DISTRICTS CITY OF BUCKEYE, ARIZONA
PURSUANT TO SECTIONS 48-711, 48-715 AND TITLE 38, CHAPTER 3, ARTICLE 3.1
ARIZONA REVISED STATUTES, AS AMENDED**

**ANTHEM SUN VALLEY COMMUNITY FACILITIES DISTRICT
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VERRADO WESTERN OVERLAY COMMUNITY FACILITIES DISTRICT
WATSON ROAD COMMUNITY FACILITIES DISTRICT
WESTPARK COMMUNITY FACILITIES DISTRICT**

**FEBRUARY 2, 2016
MINUTES**

**City Council Chambers
530 E. Monroe Avenue
Buckeye, AZ 85326
Immediately following the 6:00 p.m. Regular Council Meeting**

1. Call to Order/Roll Call

Chairman Meck called the meeting to order at 9:07 p.m.

Members Present: Board Member Strauss, Board Member Orsborn, Board Member McAchran,
Board Member Heustis, Vice Chair Hess, and Chairman Meck.

Members Absent: Board Member Garza.

Departments Present: District Manager Stephen Cleveland, Assistant District Manager Roger Klingler,
District Attorney Scott Ruby, District Clerk Lucinda Aja, Deputy District Clerk
Summer Stewart, Assistant to Board Carol Conley, Public Works Director Scott
Lowe, Finance Director Larry Price, and Information Technology Director Greg
Platacz.

**2. Board to Approve the Minutes of the January 5, 2016 Watson Road Community Facilities
District Meeting.**

A motion was made by Vice Chair Hess and seconded by Board Member Orsborn to approve the Minutes
of the January 5, 2016 Watson Road Community Facilities District Meeting. Motion passed unanimously.

3. **Action Resolution No. 01-16 Board of Directors of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) Approving the Assessment and Proceedings for the Festival Ranch Community Facilities District, Determining the Work has been Completed in Accordance with the Plans and Specifications, and Ordering the Collection of the Amount Assessed**
Liaison: Woody Scoutten, District Engineer
District No. 4

Mr. Scoutten provided a brief overview of the Festival Ranch CFD assessment and proceedings. A motion was made by Board Member Strauss and seconded by Board Member Orsborn to adopt Resolution No. 01-16 (Festival Ranch) approving the assessment and the proceedings heretofore had and taken for the Festival Ranch Community Facilities District (City of Buckeye, Arizona), determining the work has been completed in accordance with the plans and specifications, and ordering the collection of the amount assessed. Motion passed unanimously.

Board Action: Motion to approve.

4. **Action Resolution No. 02-16 Board of Directors of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) Authorizing the Issuance of its Assessment District No. 10 Special Assessment Revenue Bonds, Series 2016 (Private Placement), in the Aggregate Principal Amount of Not to Exceed \$200,000; Approving the Form and Authorizing the Execution and Delivery of a Placement Agent Agreement Relating to the Bonds, a Registrar, Transfer Agent and Paying Agent Contract and Certain Other Documents Securing the Payment of or Relating to the Bonds; Awarding the Bonds to the Original Purchasers Thereof; Taking Other Actions Securing the Payment of and Relating to the Bonds**
Liaison: Woody Scoutten, District Engineer
District No. 4

Mr. Scoutten provided a brief overview of the request to authorize the issuance of Assessment District No. 10 Special Assessment Revenue Bonds. A motion was made by Board Member Orsborn and seconded by Board Member Strauss to adopt Resolution No. 02-16 (Festival Ranch) authorizing the issuance of its Assessment District No. 10 Special Assessment Revenue Bonds, Series 2016 (Private Placement), in the aggregate principal amount of not to exceed \$200,000; approving the form and authorizing the execution and delivery of a Placement Agent Agreement relating to the bonds, a Registrar, Transfer Agent and Paying Agent Contract and certain other documents securing the payment of or relating to the bonds; awarding the bonds to the original purchasers thereof; and taking other actions securing the payment of and relating to the bonds. Motion passed unanimously.

5. **Citizen Input/Appearances from the Floor – None.**

6. **Adjournment**

A motion was made by Board Member Orsborn and seconded by Vice Chair Hess to adjourn the meeting at 9:12 p.m. Motion passed unanimously.

Jackie A. Meck, Chairman

ATTEST:

Lucinda J. Aja, District Clerk

I hereby certify that the foregoing minutes are a true and correct copy of the Joint Community Facilities District Meeting held on the 2nd day of February, 2016. I further certify that a quorum was present.

Lucinda J. Aja, District Clerk

February 2, 2016 Joint CFD Meeting Minutes

RESOLUTION NO. 02-16 (Festival Ranch)

A RESOLUTION OF THE DISTRICT BOARD OF DIRECTORS OF FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA) AUTHORIZING THE ISSUANCE OF ITS ASSESSMENT DISTRICT NO. 10 SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2016 (PRIVATE PLACEMENT), IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$200,000; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PLACEMENT AGENT AGREEMENT RELATING TO THE BONDS, A REGISTRAR, TRANSFER AGENT AND PAYING AGENT CONTRACT AND CERTAIN OTHER DOCUMENTS SECURING THE PAYMENT OF OR RELATING TO THE BONDS; AWARDING THE BONDS TO THE ORIGINAL PURCHASERS THEREOF; AND TAKING OTHER ACTIONS SECURING THE PAYMENT OF AND RELATING TO THE BONDS.

BE IT RESOLVED BY THE DISTRICT BOARD OF DIRECTORS OF FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA), AS FOLLOWS:

WHEREAS, this Board of Directors (the "*District Board*") of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "*District*") hereby finds:

(a) Pursuant to Title 48, Chapter 4, Article 6 of the Arizona Revised Statutes, as amended (the "*Enabling Act*"), the Waiver Agreement (as defined herein) and Resolution No. 15-15 adopted on January 19, 2016 (the "*Resolution of Intention*"), the District Board has formed Assessment District No. 10 (the "*Assessment District*") and declared its intention to: (i) acquire certain public infrastructure and to pay costs and expenses related thereto (the "*Project*"); (ii) assess the costs and expenses of the Project upon certain benefited real property within the boundaries of the District as described in the Resolution of Intention; and (iii) issue the District's special assessment revenue bonds (the "*Bonds*") to finance the costs and expenses of the Project.

(b) Pursuant to the terms and provisions of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) Waiver and Development Agreement Pertaining to Assessment District No. 10 recorded with the Maricopa County, Arizona, Recorder at Docket 2016-0043977 (the "*Waiver Agreement*"), the owners and the persons who have an interest in all the real property to be assessed have waived, among other things, certain requirements relating to the notices, protests and hearings relating to, among other things, the formation of the Assessment District, levying of the assessments, and the time period for cash payments.

(c) The District Board has caused a report of the feasibility and benefits of the Project to be prepared, such report included a description of certain public infrastructure to be acquired and all other information useful to understand the Project, a map showing, in general, the location of the Project, an estimate of the cost to construct, acquire, operate and maintain the Project, an estimated schedule for completion of the Project, a map or description of the area to be benefited by the Project, and a plan for financing the Project (the "*Report*"). A public hearing on the Report was held January 19, 2016, as provided by law, and, pursuant to the

Enabling Act and the Resolution of Intention, the Report was ratified and approved in all respects.

(d) Pursuant to and in reliance upon the Waiver Agreement, the District Board adopted Resolution No. 16-15 on January 19, 2016, ordering the public infrastructure projects performed as described in the Resolution of Intention.

(e) Pursuant to and in reliance upon the Waiver Agreement, the District Board adopted Resolution No. 17-15 on January 19, 2016, approving the assessment diagram and the levying of an assessment against the real property in the Assessment District.

(f) Pursuant to the Enabling Act, the Waiver Agreement and Resolution No. 17-15, an assessment in the amount of \$200,000 was authorized to be levied against the real property in the Assessment District and recorded in the Office of the Superintendent of Streets. Pursuant to the Waiver Agreement and other agreements by the property owners and interested parties, the property owners waived the requirement for notices of cash demands, the opportunity to make cash payments and requested the unpaid assessments go to bond.

(g) Pursuant to the terms and provisions of the Waiver Agreement, the owners and beneficial owners of the assessed real property, among other things, approved the: (i) proceedings relating to the assessment and the Bonds, (ii) assessment and assessment diagram, (iii) assessment methodology, (iv) method of collection and foreclosure of assessments and (v) terms of the Bonds.

(h) The District Board has determined to authorize the issuance of the Bonds described in this resolution (this "*Bond Resolution*") to provide funds for the Project and any and all of the public infrastructure purposes provided for in the Enabling Act and the General Plan of the District.

(i) Pursuant to the Enabling Act, the District has also determined to enter into a Bond Registrar, Transfer Agent and Paying Agent Contract, to be dated as of February 1, 2016 or any later date (the "*Registrar Contract*"), by and between the District and Zions Bank, a division of ZB, National Association, as registrar (the "*Registrar*"), to process the issuance, registration, transfer and payment of the Bonds. The District Board has determined by this Resolution to authorize the issuance of the Bonds and, in order to provide terms for, to privately place, and to provide for authentication and delivery of the Bonds by the Registrar, to authorize the execution and delivery of the Registrar Contract. The District Board hereby determines that the Bonds shall be privately placed with one or more Qualified Investors as such term is defined herein. (The original purchasers of the Bonds shall be referred to collectively as the "*Original Purchaser*.")

(j) There has been placed on file with the District Clerk, and presented in connection herewith, the proposed form of Registrar Contract.

(k) The District Board hereby finds and determines that: (i) the amount of indebtedness evidenced by the Bonds does not exceed the estimated cost of the Project plus all costs connected with the public infrastructure purposes and issuance and sale of the Bonds to be financed therewith (collectively the "*Costs*"); (ii) the total Costs are less than or

equal to the benefits derived from the Project; and (iii) based upon representations of Pulte Home Corporation ("*Pulte*"), the value of each of the assessed parcels comprising the Assessment District is at least four (4) times the principal amount of the Bonds allocated to each such assessed parcel.

WHEREAS, this District Board has by resolution levied and approved, and the Superintendent of Streets has prepared and recorded, an assessment for the Project, and the Superintendent of Streets has executed, and the Chairman of the District Board has countersigned, a warrant to collect the several assessments; and

WHEREAS, the warrant and assessment have been returned; and

WHEREAS, Section 48-721, Arizona Revised Statutes, provides that the District Board may direct that the Bonds may be issued in an amount which shall not exceed the amount of unpaid assessments as may be shown on the certified list of unpaid assessments; and

WHEREAS, such certified list has been filed with the Clerk by the Superintendent of Streets and the District Board may cause the Bonds to be issued; and

WHEREAS, the District Board intends to sell the Bonds and will receive a proposal from Stifel, Nicolaus & Company, Incorporated, serving in the capacity of and designated as the placement agent (hereinafter referred to as the "*Placement Agent*"), and not acting as a municipal advisor as defined in the "Registration of Municipal Advisors" rule promulgated by the United States Securities and Exchange Commission, and has determined that the Bonds should be placed by the Placement Agent and pursuant to the Strategic Alliance of Volume Expenditures (SAVE) Cooperative Response Proposal #C-007-1213; and

WHEREAS, the Placement Agent will submit such proposal to place the Bonds with the Original Purchaser as outlined in the attached Certificate of Qualified Investor, which includes officers of the Placement Agent, pursuant to a standard form of Placement Agent Agreement, to be dated the date of placement of the Bonds (hereinafter referred to as the "*Placement Contract*"), by and between the District and the Placement Agent, on such terms as may hereafter be approved by the District Treasurer and recommended by First Southwest Company, LLC, the District's financial advisor; and

WHEREAS, by this Bond Resolution the District Board desires to (i) authorize the issuance of the Bonds payable from unpaid special assessments levied against lots or parcels of land benefiting from the Project; (ii) provide for issuance and delivery of the Bonds to the Original Purchaser; (iii) establish the method of collecting unpaid special assessments; (iv) authorize the Registrar to open books to register ownership of the Bonds; (v) award the sale of the Bonds to the Original Purchaser in accordance with the Placement Contract; and (vi) ratify and confirm all prior acts of this District Board, of the District Engineer, of the Superintendent of Streets and of the District Clerk with respect to the Project;

NOW, THEREFORE, BE IT RESOLVED BY THE DISTRICT BOARD OF THE FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA), that:

Section 1. Authorization. Festival Ranch Community Facilities District (City of Buckeye, Arizona) Assessment District No. 10, Special Assessment Revenue Bonds, Series 2016 (Private Placement) (the "*Bonds*") are hereby authorized to be issued, in an aggregate principal amount of not to exceed \$200,000 pursuant to the Enabling Act. The proceeds of the Bonds shall be used to finance the acquisition of the Project, pay all Incidental Expenses and fund a Debt Service Reserve Fund (each as defined in the Resolution of Intention).

Section 2. Bond Terms. The Bonds shall be in denominations of \$25,000 each or any integral multiple of \$1,000 in excess thereof, shall mature on July 1 in some or all of the years 2018 to 2035, inclusive, shall be dated their date of initial delivery, and shall bear interest from their date to their maturity or prior redemption at the rate of not to exceed 7.50% per annum. If necessary to accommodate a Special Redemption pursuant to Section 3.A hereof, the Bonds may be in denominations of \$1,000 each or any integral multiple of \$1,000. Interest on the Bonds (computed on the basis of a 360-day year of twelve 30-day months) is payable semiannually on January 1 and July 1 of each year (each such date shall be referred to as an "*Interest Payment Date*") beginning July 1, 2016, or such later date as set forth in the Placement Contract.

The principal of and premium, if any, on the Bonds shall be payable upon surrender thereof at the designated office of the Paying Agent (as hereinafter defined). Interest due on the Bonds on each Interest Payment Date shall be payable by check mailed to the persons (the "*Owners*") in whose names the Bonds are registered by the Registrar at the close of business on the fifteenth (15th) day of the calendar month next preceding the applicable Interest Payment Date or, if such day is not a business day, the previous business day (the "*Record Date*").

In the event that interest is not paid on an Interest Payment Date, the Registrar shall establish a special record date for the payment of such interest, if and when funds for the payment of such interest have been received. Notice of the special record date and of the scheduled payment date of the past due interest will be sent at least ten (10) days prior to the special record date, to the address of each Owner appearing on the Register (as such term is hereafter defined).

Section 3. Redemption. The Bonds are subject to special, optional and mandatory redemption prior to maturity in accordance with this Section

A. **Special Redemption.** All Bonds are subject to special redemption prior to their stated maturity, at random, in whole or in part, at the option of the District, on any Interest Payment Date, from proceeds received by the District from: (i) the prepayment of any assessment by the owner of any assessed real property or (ii) the proceeds of any foreclosure sale of any assessed real property due to a failure to pay an assessment installment. Such proceeds shall be deposited with the Registrar at least two business days prior to the date of special redemption. The special redemption shall be at a redemption price of par plus interest accrued to the date of redemption, without premium.

B. **Optional Redemption.** The Bonds will also be subject to optional redemption on or after July 1, 2025, or such other date theretofore or thereafter as may be approved by the District Manager or District Treasurer in the Placement Contract, at the option of the District prior to the applicable maturity in whole on any date or in part on any Interest

Payment Date as randomly determined by the District Treasurer within the applicable maturity, upon payment of the applicable redemption price which will consist of the principal amount of the Bonds so redeemed plus interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the applicable redemption date, without premium.

C. Mandatory Redemption. The Bonds may be subject to mandatory redemption prior to their stated maturity, pursuant to such terms as may be approved by the District Manager or District Treasurer in the Placement Contract.

D. Selection of Bonds to Be Redeemed. The District shall give notice to the Registrar of its intention to make any optional redemption or special redemption not less than 35 days prior to the date of such redemption. Such notice shall specify the type of redemption, the principal amount to be redeemed and the mandatory redemption requirements against which such redemption shall be credited. If less than all of the Bonds are to be redeemed, the Registrar shall select the Bonds or portions thereof to be redeemed in the amounts of \$1,000, by lot, by any reasonable method acceptable to the Registrar.

E. Notice and Effect of Redemption. Notice of redemption shall be mailed by the Registrar not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption to the registered owners of the Bonds to be redeemed at the address shown on the Register on the date the Bonds to be redeemed are selected. Failure to properly give notice of redemption shall not affect the redemption of any Bond for which notice was properly given.

If on the date of redemption of Bonds sufficient moneys for payment of the redemption price and accrued interest are held by the Registrar, interest on the Bonds so called for redemption will cease to accrue and such Bonds will cease to be entitled to any benefit or security under this Bond Resolution except the right to receive payment from the moneys held for such Bonds.

Section 4. Form of Bonds. The Bonds shall be in substantially the form of *Exhibit A* attached hereto and incorporated by reference herein, with such necessary and appropriate omissions, insertions and variations as are permitted or required hereby and are approved by those officers executing the Bonds; execution thereof by such officers shall constitute conclusive evidence of such approval. If the book-entry-only system is discontinued, the Bonds shall be reissued in forms and authorized denominations that accommodate the requirements of non-book-entry bonds.

The Bonds may have notations, legends or endorsements required by law, securities exchange rule or usage. Each Bond shall show both the date of the issue and the date of such Bond's authentication and registration.

Section 5. Collection of Assessment Installments.

A. Collection. All assessments that are not paid in full shall remain collectible by the District Treasurer of the District, or by the Maricopa County Treasurer on behalf of the District pursuant to the terms of an agreement between the District and the County (the "*Collections Agreement*"), in installments of principal and interest. Installments of principal shall be paid on or before June 1st and December 1st of each year. Not less than thirty (30) days

prior to the date any installment of principal or interest is due the District shall cause a notice of a request for payment to be mailed or distributed to the owners, as they may be known, of the assessed parcels and lots. On the day succeeding the date on which the installment becomes due, such unpaid installment shall become delinquent, and the District Treasurer for the District shall certify such fact in the records of the District and mark each installment delinquent and add five percent to the amount of each such installment, such amount to be paid to the District.

B. Nonpayment. In the event of nonpayment of any installment of any assessment the corresponding parcel or lot shall be subject to the procedures for collection and sale of such assessment and the parcels and lots corresponding to such delinquent assessment, as provided in Arizona Revised Statutes Sections 48-601 through 48-607, as amended from time to time, inclusive, except that neither the District nor the City of Buckeye, Arizona shall be required under any circumstances to purchase, or make any payment for the purchase of, the delinquent assessment and corresponding assessed parcel or lot.

Section 6. Bond Registrar, Transfer and Paying Agent. The District shall maintain an office or agent where or through whom the Bonds may be presented for registration and transfer of the Bonds, and an office or agent for payment of principal and interest. So long as any Bonds are outstanding, the District will cause to be maintained by the Registrar a bond register for the registration and transfer of Bonds (the "*Register*"). The person in whose name any Bond is registered will be deemed and regarded as the absolute owner of the Bond for all purposes. The District may appoint one or more successor bond registrars or one or more additional paying agents. Each bond registrar and paying agent, successor registrar or additional paying agent, shall be required to agree in writing that the paying agent will hold in trust for the benefit of the Owners of the Bonds all money held by the paying agent for the payment of principal and interest on the Bonds. The Registrar may make reasonable rules and set reasonable requirements for its functions with respect to the Owners of the Bonds.

The Registrar is directed to open the Register. The Register shall be the sole and only evidence of ownership of the Bonds.

The District Manager, District Treasurer, Clerk or other appropriate officer are hereby authorized to execute and deliver the Registrar Contract containing terms and in such form as the person executing such document shall deem appropriate.

The fees and costs of the Registrar to be paid by the District are deemed interest on the Bonds for purposes of collecting such amounts as interest on the assessments against the land in the District.

Each Bond will be transferable by the owner thereof in person or by such person's attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered holder or such holder's duly authorized attorney accompanied by a certificate in the form included with *Exhibit A* hereto. The restrictions on transfer of the Bonds will not be applicable after receipt by the Registrar of written approval of the District to the deletion of such transfer restrictions.

Any Bond upon surrender thereof to the Registrar, together with written instructions satisfactory to the Registrar and a Certificate of Qualified Investor in the form

included with Exhibit A hereto, duly executed by the registered holder or such holder's attorney duly authorized in writing, may, at the option of the registered holder thereof, be exchanged for an equal aggregate principal amount of Bonds of any other authorized denominations.

In connection with any such exchange or transfer of Bonds, the holder requesting such exchange or transfer must remit to the Registrar an amount sufficient to pay any tax or other charges required to be paid with respect to such exchange or transfer.

Neither the District nor the Registrar shall be required (1) to issue, transfer or exchange any Bond during a period beginning at the opening of business fifteen (15) days before the day of the first mailing of a notice of redemption of Bonds and ending at the close of business on the day of such mailing or (2) thereafter to transfer or exchange any Bond to be redeemed in whole or in part pursuant to such notice.

Section 7. Mutilated, Destroyed, Lost and Stolen Bonds. If (i) any mutilated Bond is surrendered to the Registrar, or the Registrar receives evidence to its satisfaction of the destruction or loss of any Bond, and (ii) there is delivered to the Registrar such security or indemnity as may be required by the Registrar to hold the Registrar and the District harmless, then, in the absence of notice to the Registrar that such Bond has been acquired by a *bona fide* purchaser and upon the holder paying the reasonable expenses of the District and the Registrar, the District will cause to be executed and the Registrar will authenticate and deliver, in exchange for such mutilated Bond or in lieu of such destroyed, lost or stolen Bond, a new Bond of like principal amount, date and tenor. In case any such Bond has become or is about to become due and payable, the District or the Registrar may pay such Bond instead of issuing a new Bond.

Section 8. Execution of Bonds and Other Documents.

The Bonds shall be executed by the Chairman and attested by the Clerk by their facsimile signatures. If an officer whose signature is on a Bond no longer holds that office at the time the Bond is authenticated and registered, such Bond shall nevertheless be valid. A Bond shall not be valid or binding until authenticated by the manual signature of an authorized representative of the Registrar. Such signature shall be conclusive evidence that the Bond has been authenticated and issued under this resolution.

The District Treasurer is hereby authorized and directed to cause the Bonds to be delivered to or upon the order of the Original Purchaser upon receipt of payment therefor and satisfaction of the other conditions for delivery thereof in accordance with the terms of this Bond Resolution.

The Chairman, any member of the District Board, District Manager or District Treasurer is each hereby authorized and directed to execute and deliver such agreements, certificates and instruments with such necessary and appropriate omissions, insertions and variations as are permitted or required hereby and are approved by those officers executing such agreements on behalf of the District in order to consummate the issuance, sale and delivery of the Bonds as contemplated hereby. The Clerk is authorized and directed to attest such signatures. Where applicable, any of the foregoing officers may affix their signatures by manual, mechanical or photographic means.

Section 9. Creation of Funds and Accounts. The following funds and accounts are hereby created and shall be held by the District:

(a) Festival Ranch Community Facilities District (City Of Buckeye, Arizona) Assessment District No. 10, Special Assessment Revenue Bonds, Series 2016 (Private Placement), Bond Fund, which shall include:

1. Principal Account
2. Interest Account

(b) The Acquisition Fund

(c) Debt Service Reserve Fund

(d) Issuance and Expenses Fund.

Section 10. Flow of Funds.

A. Bond Fund. The moneys in the Bond Fund shall be held by the District Treasurer and paid over to the Registrar within three (3) business days of each principal or Interest Payment Date. The District Treasurer shall make such arrangements as are necessary to insure proper payment to the Registrar.

B. Investment of Bond Fund. All moneys directed by this Resolution to be placed in the Bond Fund shall be invested pending payments to the Registrar in "Investment Securities," which are hereby defined as any securities in which sinking funds of the State of Arizona may be invested.

C. Deposits to Proper Accounts. All moneys received by the District Treasurer from the collections of the installments of principal and interest on the assessments shall be allocated as to principal and interest and deposited to the proper account of the Bond Fund. The Bonds shall be payable from and secured by the amounts held in the Bond Fund.

D. Acquisition Fund.

(a) The District shall deposit to the Acquisition Fund an amount of Bond proceeds as determined by the District Treasurer.

(b) The date of completion of the Project (the "*Completion Date*") shall be evidenced to the District by a certificate signed by the property owner and interested parties stating that:

- (i) The Project has been completed in accordance with the plans and specifications therefor (such certification can rely upon the opinion of an inspector or consultant retained by the property owner) and all labor, services, materials and supplies used in the Project has been paid for and

acknowledgments of such payments have been obtained from all contractors and suppliers; and

- (ii) All other facilities necessary in connection with the Project have been constructed, acquired and installed in accordance with the plans and specifications therefor (such certification can rely upon the opinion of an inspector or consultant retained by the property owner), and all costs of acquisition of the Project have been paid.

Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being. Within ten (10) days following the Completion Date, the District shall transfer any balance in the Acquisition Fund (except moneys retained for expenses not yet due and payable) into the Principal and Interest Accounts in the Bond Fund for application to the redemption of Bonds.

Notwithstanding anything contained in this Section 10, on June 1, 2018, any amounts remaining in the Acquisition Fund shall be transferred to the Principal and Interest Accounts of the Bond Fund and applied to the redemption of Bonds.

E. Debt Service Reserve Fund.

(a) The District shall deposit to the Debt Service Reserve Fund Bond proceeds in an amount equal to the lesser of: (i) ten percent (10%) of the outstanding principal amount of the Bonds; (ii) an amount equal to at the time of computation, the greatest annual payment of principal and interest of the Bonds occurring in the then-current, or any subsequent, fiscal year (the "*Maximum Annual Debt Service*"); or (iii) one hundred twenty-five percent (125%) of the average annual debt service on the Bonds outstanding, or such amount as required by the Internal Revenue Code of 1986, as amended, to obtain or maintain the exclusion of interest from gross income for federal income tax purposes for the Bonds, pursuant to an opinion of bond counsel (the "*Reserve Fund Requirement*"). Moneys deposited to the Debt Service Reserve Fund shall be invested in Investment Securities.

(b) On, or, if either day is not a Business Day, before June 29, 2016 and December 30, 2016 and each year thereafter, the District shall, to the extent the moneys in the Debt Service Reserve Fund exceed the Reserve Fund Requirement, transfer from the Debt Service Reserve Fund to the Principal and Interest Accounts of the Bond Fund the difference between the amount in the Bond Fund on such date and the amount necessary to pay the principal of and interest, respectively, on the Bonds on the next succeeding July 1 or January 1, as the case may be.

(c) If at any time it appears to the District Treasurer that the collection of installments of assessments will not raise money sufficient to pay the then forthcoming principal or interest payment on the Bonds, the District Treasurer is authorized to liquidate any or all investments in the Debt Service Reserve Fund and transfer such amounts to the Principal or Interest Accounts as is necessary to make timely payments of principal or interest or both on the

Bonds. The District Treasurer shall reimburse the Debt Service Reserve Fund from either: (i) the proceeds from the sale of delinquent assessment which sales are conducted pursuant to Arizona Revised Statutes Sections 48-601 inclusive, provided Section 48-607 is hereby revised to require the District Treasurer to apply sales proceeds to the Debt Service Reserve Fund or (ii) from all future installments on the assessments, provided, however, only to the extent that such portion of such installment payment is not required for the timely payment of debt service on the Bonds.

(d) If, after a Debt Service Reserve Fund withdrawal, the Debt Service Reserve Fund is less than the Reserve Fund Requirement, the District shall reimburse the Debt Service Reserve Fund, to the extent moneys are realized, from either: (i) the proceeds from the sale of delinquent Assessments, which sales are conducted in the manner described in Arizona Revised Statutes, Sections 48-601 through 48-607, inclusive, as amended from time to time, provided, however, Section 48-607 is revised to require the sales proceeds to be deposited to the Debt Service Reserve Fund and neither the District nor the City of Buckeye, Arizona (the "City") shall be required under any circumstances to purchase, or make any payment for the purchase of the delinquent Assessment and corresponding assessed parcel or lot; or (ii) from all future installment payments on the Assessments, provided, however, only to the extent that such portion of such installment payment is not required for the timely payment of debt service on the Bonds.

(e) Any investment profits realized from the investment of moneys in the Debt Service Reserve Fund shall remain in and be part of the Debt Service Reserve Fund; provided, however, if moneys in the Debt Service Reserve Fund are in excess of the Reserve Fund Requirement, such excess amount attributed to investment earnings shall be transferred to the Interest Account of the Bond Fund and applied from time to time pursuant to Section 10.E(b) hereof.

(f) If the amount held in the Debt Service Reserve Fund together with the amount held in the Bond Fund is sufficient to pay the principal amount of all outstanding Bonds on a redemption date, together with the interest accrued on such Bonds as of such redemption date, the moneys shall be transferred to the Principal and Interest Accounts of the Bond Fund and thereafter used to redeem all Bonds as of such redemption date.

(g) On the final maturity date of the Bonds, the District Treasurer shall use any moneys remaining in the Debt Service Reserve Fund to pay the final maturities of principal and interest on the Bonds.

F. Issuance and Expenses Fund. The money deposited to the Issuance and Expenses Fund, together with all investments thereof and investment income therefrom, shall be held in trust by the District. The District shall deposit to the Issuance and Expenses Fund Bond proceeds and a contribution from Pulte in the amounts provided in the Tax Certificate of the District executed and delivered by the District in connection with the issuance of the Bonds. Upon a request for disbursement, amounts on deposit in the Issuance and Expenses Fund shall be applied to pay all costs of the issuance and sale of the Bonds identified in a request signed by either the Chairman of the District Board, the District Manager or the District Treasurer. On

July 1, 2016, the District shall transfer any moneys in the Issuance and Expenses Fund to the Acquisition Fund.

Section 11. Use of Proceeds. The amounts received from the sale of the Bonds shall be deposited to the Funds and Accounts created in Section 9 hereof in the manner provided in this Bond Resolution. This Bond Resolution shall be construed as consent of this District Board to invest such funds, pending use, in any Investment Securities.

Section 12. Resolution a Contract. This resolution shall constitute a contract between the District and the Owners of the Bonds and shall not be repealed or amended in any manner which would impair, impede or lessen the rights of the registered owners of the Bonds then outstanding. The performance by the District Board of the obligations in this resolution, in the Bonds and the other agreements listed in Section 8 hereof is hereby authorized and approved.

Section 13. Cancellation of Agreement. The District hereby gives notice to the Registrar and the Original Purchaser that Section 38-511, Arizona Revised Statutes, as amended, provides that, within three years after execution of any agreement, the District may cancel such agreement without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the agreement on behalf of the District or any of its departments or agencies is at any time while the agreement or any extension of the agreement is in effect an employee or agent of the Registrar or the Original Purchaser in any capacity or a consultant to the Registrar or the Original Purchaser with respect to the subject matter of the agreement.

Section 14. Exclusion of Interest from Gross Income. In consideration of the purchase and acceptance of the Bonds by the owners thereof and, as authorized by Arizona Revised Statutes, Title 35, Chapter 3, Article 7, in consideration of retaining the exclusion of interest income on the Bonds from gross income for purposes of calculating federal income tax the District covenants with the Owners from time to time of the Bonds to neither take nor fail to take any action which action or failure to act is within its power and authority and would result in interest on the Bonds becoming included as gross income for purposes of calculating federal income taxes under laws existing on the date of issuance of the Bonds.

Without limiting the generality of the foregoing, the District agrees that it will comply with such requirements as in the opinion of Gust Rosenfeld P.L.C. are necessary to prevent interest on the Bonds becoming included as gross income for purposes of calculating federal income taxes. Such requirements may include but are not limited to making further specific covenants; making truthful certifications and representations and giving necessary assurances; complying with all representations, covenants and assurances contained in certificates or agreements to be prepared by bond counsel; paying to the United States of America any required amounts representing rebates of arbitrage profits relating to the Bonds; filing forms, statements and supporting documents as may be required under the federal tax laws; limiting the term of and yield on investments made with moneys relating to the Bonds; and limiting the use of the proceeds of the Bonds and property financed thereby.

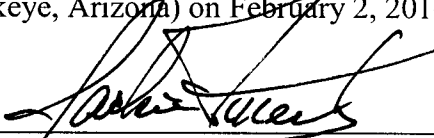
Section 15. Requirements for Unrestricted Transfer. Prior to consent of this District Board otherwise, the Bonds will be transferable to and registered in the name of Qualified Investors (as hereinafter defined) and the Registrar shall not transfer any Bond to a

person other than a Qualified Investor. Prior to consent of this District Board otherwise, the Registrar shall transfer the Bonds only upon receipt from the transferee of a Certificate of Qualified Investor in the form included with Exhibit A hereto. The initial Qualified Investors (the Original Purchaser) have acknowledged that no disclosure documents were prepared and that they have obtained all information necessary to make an investment in the Bonds. For purposes of this resolution, "*Qualified Investor*" means a qualified institutional buyer, as such term is defined in Rule 144A of the Securities Act of 1933, as amended, or an accredited investor as defined in Rule 501 of Regulation D of the United States Securities Exchange Commission, who executes the Certificate of Qualified Investor included with Exhibit A hereto.

Section 16. No Obligation of City. Nothing contained in this Bond Resolution or any other document or instrument shall be construed as obligating the City or the State of Arizona (the "*State*") or any political subdivision of either (other than the District) or as incurring a charge upon the general credit of the City and the State nor shall the breach of any agreement contained herein, the Registrar Contract or any other instrument or documents executed in connection therewith impose any charge upon the general credit of the City and the State.

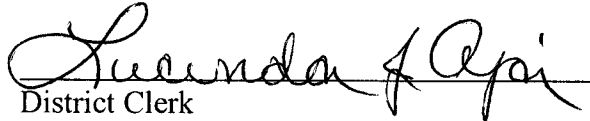
Section 17. Actions Authorized and Ratified. All actions taken by the District with respect to the Project, the levying and collection of the assessment and the issuance and sale of the Bonds are hereby ratified and confirmed. The proper officers and agents of the District are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the District as may be necessary to carry out the terms and intent of this Bond Resolution.

PASSED AND ADOPTED by the District Board of Directors of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) on February 2, 2016.



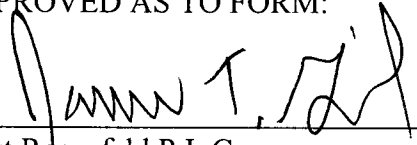
Jackie A. Meck, District Chairman

ATTEST:



District Clerk

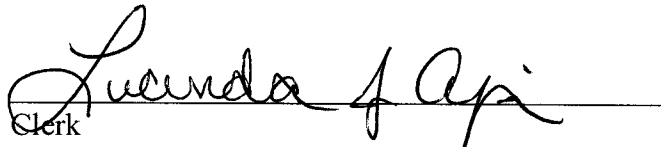
APPROVED AS TO FORM:



Gust Rosenfeld P.L.C.
Bond Counsel

CERTIFICATE

I hereby certify that the above and foregoing Resolution was duly passed by the District Board of Directors of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) at a regular meeting held on February 2, 2016, and that a quorum was present thereat and that the vote thereon was 6 ayes and 0 nays; 1 did not vote or were absent.



Clerk

EXHIBIT A

[FORM OF BOND]

No. R-____

\$ _____

UNLESS THE PROVISIONS OF THE HEREINAFTER DESCRIBED INDENTURE PROVIDE OTHERWISE, BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS ARE ONLY TRANSFERABLE IN CONNECTION WITH A SALE TO OR THROUGH A BROKER-DEALER IN MINIMUM AUTHORIZED DENOMINATIONS OF \$25,000 OR MORE TO A "QUALIFIED INVESTOR" UPON RECEIPT BY THE TRUSTEE OF THE "CERTIFICATE OF QUALIFIED INVESTOR" IN THE FORM INCLUDED IN THIS BOND. THE TERM "QUALIFIED INVESTOR" SHALL HAVE THE MEANINGS SET FORTH IN THE FORM OF CERTIFICATE INCLUDED IN THIS BOND.

UNITED STATES OF AMERICA
STATE OF ARIZONA

**FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 10
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2016**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Issue Date</u>	<u>CUSIP No.</u>
_____%	July 1, 20__	_____, 2016	315599 ____

REGISTERED OWNER: [NAME OF PURCHASER]

PRINCIPAL AMOUNT: _____ AND NO/100 DOLLARS (\$ _____)

Festival Ranch Community Facilities District, a community facilities district formed by the City of Buckeye, Arizona, and duly organized and validly existing, pursuant to the laws of the State of Arizona (hereinafter referred to as the "*Issuer*"), for value received, hereby promises to pay to the "Registered Owner" specified above or registered assigns (herein referred to as the "*Holder*"), on the "*Maturity Date*" specified above, the "*Principal Amount*" specified above and to pay interest (calculated on the basis of a 360-day year of twelve 30-day months) on the unpaid portion thereof from the "*Original Issue Date*" specified above, or from the most recent "*Interest Payment Date*" (as such term is hereinafter defined) to which interest has been paid or duly provided for, until paid or the payment thereof is duly provided for at maturity, semiannually on each January 1 and July 1, commencing July 1, 2016 (each an "*Interest Payment Date*"), at the per annum "*Interest Rate*" specified above.

As provided in the Bond Resolution (as defined herein), the interest, principal and Redemption Price (as defined in the Bond Resolution) payable on the Bonds shall be paid to the Registered Owner in same-day funds in accordance with then existing arrangements between the Issuer and the Registered Owner.

If the specified date for any such payment shall not be a Business Day, then such payment may be made on the next succeeding day which is a Business Day without additional interest and with the same force and effect as if made on the specified date for such payment, except

that in the event of a moratorium for banking institutions generally in the city where the principal corporate trust office of the Paying Agent is located, such payment may be made on such next succeeding day except that the Bonds on which such payment is due shall continue to accrue interest until such payment is made or duly provided for.

Words with initial capitals shall have such meanings set forth in the Bond Resolution, unless otherwise defined herein.

Neither the full faith and credit nor the general taxing power of the Issuer, the City of Buckeye, Arizona, Maricopa County, Arizona or the State of Arizona or any political subdivision thereof is pledged to the payment of the Bonds.

Unless the Certificate of Authentication hereon has been executed by the Registrar, by manual signature, this Bond shall not be entitled to any benefit under the Bond Resolution or be valid or obligatory for any purpose.

This Bond is one of a duly authorized issue of special assessment revenue bonds of the Issuer having the designation specified in its title (herein referred to as the "*Bonds*"), issued in one series, with the limitations described herein. Pursuant to Resolution No. 02-16, adopted on February 2, 2016 (herein referred to as the "*Bond Resolution*"), the District Board of the Issuer authorized the issuance and sale of not to exceed \$200,000 aggregate principal amount of Bonds for the purpose of financing the costs of acquiring certain public infrastructure, including particularly the acquisition by the Issuer of the improvements and public infrastructure purposes (the "*Improvements*") described in Resolution No. 15-15 which was adopted by the District Board of the Issuer on January 19, 2016. Reference is hereby made to the Bond Resolution for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder of the Registered Owner and the Issuer, and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which the Registered Owner hereby consents. All Bonds issued under the Bond Resolution are equally and ratably secured by the amounts thereby pledged and assigned.

The Bonds are limited obligations of the Issuer payable only out of the special fund to be collected from special assessments (the "*Assessments*") levied only against the lots or parcels of land fronting on or benefited by the Improvements (the "*Assessed Property*") and from amounts held by the Issuer in the Debt Service Reserve Fund (the "*Debt Service Reserve Fund*") under the Bond Resolution. The Assessed Property represents approximately 100 residential lots within Assessment District No. 10 within the District. Said special fund is set apart in accordance with the laws of the state and pursuant to the Bond Resolution for the payment of the Bonds and can be used for no other purpose.

The amount required to be held in the Debt Service Reserve Fund (the "*Debt Service Reserve Fund Requirement*") may be reduced from time to time. Any amount held in the Debt Service Reserve Fund in excess of the Debt Service Reserve Fund Requirement may be transferred to the Bond Fund and used to make payment of principal and interest on the Bonds either at maturity or prior redemption.

Investment earnings on the Debt Service Reserve Fund, to the extent not needed to return the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement, to pay debt service on the Bonds, or to pay rebate to the United States, will be deposited into the Bond Fund.

Notwithstanding any provision hereof or of the Bond Resolution, however, the Bond Resolution may be released and the obligation of the Issuer to make money available to pay this Bond may be defeased by the deposit of money and/or certain direct or indirect Governmental Obligations sufficient for such purpose as described in the Bond Resolution.

The Bonds are issuable as fully registered bonds only in the denominations of \$25,000 and any \$1,000 multiple in excess thereof. If necessary to accommodate a prior redemption of Bonds, the Bonds may be in denominations of \$1,000 each and integral multiples of \$1,000.

All Bonds are subject to special optional redemption prior to their stated maturity, at random, at the option of the Issuer, on any Interest Payment Date, from proceeds received by the Issuer from: (i) the prepayment of any assessment by the owner of any assessed real property or (ii) the proceeds of any foreclosure sale of any assessed real property due to a failure to pay an assessment installment. Such proceeds shall be deposited with the Bond Registrar and Paying Agent at least two business days prior to the date of redemption. The special optional redemption shall be at a redemption price of par plus interest accrued to the date of redemption, without premium.

The Bonds will also be redeemable on or after July 1, 2025, or such other date theretofore or thereafter as may be approved by the District Manager or the District Treasurer, at the option of the Issuer prior to the applicable maturity in whole on any date or from time to time in part on any Interest Payment Date as randomly determined by the District Treasurer within the applicable maturity, upon payment of the applicable redemption price which will consist of the principal amount of the Bonds so redeemed plus interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the applicable redemption date, without premium.

The Bonds are subject to mandatory redemption prior to their stated maturity, at random, at a redemption price of par plus interest accrued to the date of redemption, but without premium on the following dates and in the following principal amounts:

<u>Redemption Date</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>
---	-----------------------------------

Whenever Bonds which are subject to mandatory redemption are purchased, redeemed (other than pursuant to mandatory redemption) or are delivered by the Issuer to the Bond Registrar and Paying Agent for cancellation, the principal amount of the Bonds so retired shall satisfy and be credited against any mandatory redemption requirements for the Bonds for such years as the Issuer may direct.

Notice of redemption shall be mailed not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption to the Registered Owner to be redeemed, at the address appearing in the Bond Register.

As provided in the Bond Resolution and subject to certain limitations therein set forth, this Bond is transferable on the Bond Register of the Issuer, upon surrender of this Bond for transfer to the Paying Agent at the designated corporate office and duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Issuer and the Paying Agent duly executed by, the registered Holder hereof or his attorney duly authorized in writing, and thereupon one or more new fully registered Bonds of authorized denominations and for the same aggregate principal amount shall be issued to the designated transferee or transferees. Notwithstanding any other provision of this Bond to the contrary, this Bond or any beneficial interest herein is nontransferable unless the transferee or transferees are Qualified Investors and, if Qualified Investors, such Qualified Investors provide the Registrar a completed Certificate of Qualified Investor in the form included in this Bond.

As provided in the Bond Resolution and subject to certain limitations therein set forth, Bonds are exchangeable for a like aggregate principal amount of Bonds in authorized denominations, as requested by the Holder, upon surrender of the Bonds to be exchanged to the Paying Agent at the designated corporate office of the Paying Agent. The Paying Agent may require payment of a sum sufficient to cover any tax or other charges payable in connection therewith.

The Issuer, the Paying Agent and any agent of either of them may treat the Person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Bond be overdue, and none of the Issuer, the Paying Agent and any such agent shall be affected by notice to the contrary.

It is hereby certified, covenanted, and represented that all acts, conditions, and things required to be performed, exist, and be done precedent to or in the issuance of this Bond have been performed, exist, and have been done, in regular and due time, form, and manner, as required by law, and that the Assessments from which said Bonds are to be paid are first liens on the property assessed, subject only to the lien for general taxes and prior special assessments. In case any provision in this Bond or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. This Bond shall be construed in accordance with and governed by the laws of the State of Arizona.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be duly executed.

**FESTIVAL RANCH COMMUNITY
FACILITIES DISTRICT (CITY OF
BUCKEYE, ARIZONA)**

By _____
Jackie A. Meck, District Chairman

ATTEST:

District Clerk

Dated: _____

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds referred to in the within-mentioned Bond Resolution.

**Zions Bank, a division of ZB, National
Association, as Registrar and Paying Agent**

By _____
Authorized Representative

DATE: _____

**The following abbreviations, when used in the inscription on the face of the
within bond, shall be construed as though they were written out in full according to applicable
laws or regulations:**

TEN COM – as tenants in common
TEN ENT – as tenants by the entireties
JT TEN – as joint tenants with right of
survivorship and not as tenants in common

UNIF GIFT/TRANS MIN ACT _____
(Cust.)
Custodian for _____ (Minor)
Under Uniform Gifts/Transfers to Minors Act of
(State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto
(Print or typewrite name, address, and zip code of transferee:)

(Print or typewrite Social Security or other identifying number of transferee: _____) the
within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints (Print or
typewrite name of attorney) _____, attorney, to transfer the within Bond on the books kept
for registration thereof, with full power of substitution in the premises.

DATED: _____
Signature guarantee should be made by a
guarantor institution participating in the
Securities Transfer Agents Medallion Program
or in such other guarantee program acceptable
to the Registrar

NOTICE: The signature(s) on this assignment must
correspond with the name(s) of the registered owner(s)
appearing on the face of the within Bond in every
particular

["CERTIFICATE OF QUALIFIED INVESTOR"]

FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT

Zions Bank, a division of ZB, National Association, as Registrar and Paying Agent

Re: Festival Ranch Community Facilities District
(City of Buckeye, Arizona)
Assessment District No. 10
Special Assessment Revenue Bonds, Series 2016 (Private Placement)

Please be advised that the undersigned is, or is an authorized officer of, the purchaser (in either case, the purchaser is hereinafter referred to as the "Purchaser") of a beneficial ownership interest in the captioned bonds (hereinafter referred to as the "Bonds") in the aggregate principal amount of \$ _____. The undersigned hereby acknowledges that the Bonds (i) are not being registered under the federal Securities Act of 1933, as amended (the "Securities Act"), in reliance upon certain exemptions set forth in the Securities Act, (ii) are not being registered or otherwise qualified for sale under the "blue sky" laws and regulations of the State of Arizona or any other state, (iii) will not be listed on any stock or other securities exchange, (iv) will not carry any bond rating from any rating service and (v) are not likely to be readily marketable. The Purchaser assumes all responsibility for complying with any applicable federal and state securities laws in connection with any subsequent offer and sale of such interest in the Bonds and agrees to only offer and sell such interest to or through a broker, dealer or broker-dealer.

In regard to the foregoing, the undersigned hereby certifies, acknowledges, warrants and represents that:

- (1) The Purchaser is one of the following:
 - (a) a "qualified institutional buyer," as such term is defined in Rule 144A, of the Securities Act;
 - (b) an "accredited investor" as defined in Rule 501 of Regulation D of the United States Securities and Exchange Commission;
 - (c) an officer of Stifel, Nicolaus & Company, Incorporated; or
 - (d) an entity in which all of the equity owners, either directly or indirectly, are of the type described under paragraphs (a), (b) or (c) above.
- (2) Such purchase of an interest in the Bonds is for the account of the Purchaser, for the purpose of investment and not with a present intent for distribution or resale.
- (3) An opportunity was available to obtain and the Purchaser has obtained all information which was regarded by the Purchaser as necessary to evaluate and has evaluated the merits and risks of investment in the Bonds, and after such evaluation, the Purchaser understood and knew that investment in the Bonds involved certain risks, including, but not limited to, those related to limited security and source for payment of the Bonds, the volatility of land values, the concentration of ownership of land subject to assessment for payment of the Bonds, the possible transfer of such land by such owner, the failure or

inability of such owner as developer to complete proposed development of such land, and possible delays in payment of the Bonds caused by the bankruptcy and foreclosure of any assessed land owner.

(4) The Purchaser is experienced in transactions such as those relating to the Bonds, is knowledgeable and fully capable of independent evaluation of the risks involved in investing in the Bonds and did not rely on the addressee District or the City of Buckeye, Arizona (the "City"), or any official, officer, director, council member, advisor, employee or agent of either in making its decision to invest in the Bonds.

(5) The Purchaser acknowledges that no offering document, such as an official statement, was prepared by the District and the Purchaser agrees it has obtained all information necessary to make an investment in the Bonds. Neither the District nor the City, nor the respective officials, officers, directors, council members, advisors, employees and agents of either have undertaken to furnish, nor has the undersigned requested, information that may have been furnished to the undersigned by any third party in connection with investment of the Bonds.

[PURCHASER]

By: _____
Printed Name: _____
Title: _____

[END OF "CERTIFICATE OF QUALIFIED INVESTOR"]

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds referred to in the within-mentioned Bond Resolution.

**Zions Bank, a division of ZB, National
Association, as Registrar and Paying Agent**

By _____
Authorized Representative

DATE: _____

FEDERAL TAXPAYER I.D. NO. 35-2264191

BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT CONTRACT FOR BONDS OF FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA)

This Bond Registrar, Transfer Agent and Paying Agent Contract dated as of March 1, 2016 (this "*Contract*"), is made and entered into between the **FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA)** (hereinafter called the "*District*"), and **ZIONS BANK**, a division of ZB, National Association, a national banking association (hereinafter called the "*Bank*"), and witnesseth as follows:

Pursuant to Resolution No. 02-16 (the "*Bond Resolution*"), the District will issue its Assessment District No. 10 Special Assessment Revenue Bonds, Series 2016 (the "*Bonds*") in the aggregate principal amount of \$200,000. The Board of Directors of the District has determined that the services of a bond registrar, transfer agent and paying agent are necessary and in the best interests of the District.

The Bank desires to perform Bond Registrar, Transfer Agent and Paying Agent Services during the life of Bonds.

For and in consideration of the mutual promises, covenants, conditions and agreements hereinafter set forth, the parties do agree as follows:

1. **Services.** The Bank hereby agrees to provide the following services:

- A. Bond registrar services which shall include, but not be limited to (1) initial authentication and verification of the Bonds to persons or entities meeting the qualifications set forth in the Bond Resolution; (2) keeping registration books sufficient to comply with Section 149 of the Internal Revenue Code of 1986, as amended (the "*Code*"); (3) recording transfers of ownership of the Bonds promptly as such transfers occur; (4) protecting against double or overissuance; (5) authenticating new Bonds prepared for issuance to transferees of original and subsequent purchasers; (6) informing the District of the need for additional printings of the Bonds should the forms printed prior to initial delivery prove inadequate; and (7) lodging with the District the signatures of the persons authorized and designated from time to time to authenticate the Bonds.

- B. Transfer agent services which shall include, but not be limited to, (1) receiving and verifying all Bonds tendered for transfer; (2) preparing new Bonds for delivery to transferees who sign a Certificate of Qualified Investor in the form attached to the Bond Resolution and delivering same either by delivery or by mail, as the case may be; (3) destroying Bonds submitted for transfer; and (4) providing proper information for recordation in the registration books.

C. Paying agent services which shall include, but not be limited to, (1) providing a billing to the District at least thirty (30) days prior to a Bond interest payment date setting forth the amount of principal and interest due on such date; (2) preparing, executing, wiring or mailing all interest payments to each registered owner of the Bonds one (1) business day prior to the scheduled payment date or as soon as money for payment of such interest has been transferred to the paying agent but in no event later than 2:30 p.m., eastern time, on the date such payments are due; (3) verifying all matured Bonds upon their surrender; (4) paying all principal and premium, if any, due upon the Bonds as they are properly surrendered therefor to the Bank; (5) preparing a semiannual reconciliation showing all principal and interest paid during the period and providing copies thereof to the District; (6) inventorying all cancelled checks, or microfilm proof of such checks for six (6) years after payment; and (7) making proof of such payments available to the District or any owner or former owner.

2. **Record Date.** The "*Record Date*" for the payment of interest will be the close of business on the fifteenth (15) day of the calendar month next preceding an interest payment date. Normal transfer activities will continue after the Record Date but the interest payments will be mailed to the registered owners of Bonds as shown on the books of the Bank on the close of business on the Record Date. Principal (and premium, if any) shall be paid only on surrender of the particular Bond at or after its maturity or prior redemption date, if applicable.

3. **Redemption Notices.** The Bank agrees to provide certain notices to the Bond owners as required to be provided by the Bank in, and upon being provided with a copy of, the Bond Resolution of the District approving the issuance, sale and delivery of the Bonds. So long as the Book-Entry-Only System is in effect, the Bank shall send notices of redemption to DTC in the manner required by DTC. If the Book-Entry-Only System is discontinued, the Bank shall mail notice of redemption of any Bond to the registered owner of the Bond or Bonds being redeemed at the address shown on the bond register maintained by the Bank, or successor registrar, not more than sixty (60) nor less than thirty (30) days prior to the date set for redemption. Notice of redemption may be sent to any securities depository by mail, facsimile transmission, wire transmission or any other means of transmission of the notice generally accepted by the respective securities depository. Neither the failure of DTC nor any registered owner of Bonds to receive a notice of redemption nor any defect therein will affect the validity of the proceedings for redemption of Bonds as to which proper notice of redemption was given.

The Bank also agrees to send notice of any redemption to the Municipal Securities Rulemaking Board (the "*MSRB*"), currently through the MSRB's Electronic Municipal Market Access system, in the manner required by the MSRB, but no defect in said further notice or record nor any failure to give all or a portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above.

If moneys for the payment of the redemption price and accrued interest are not held in separate accounts by the District or by a paying agent prior to sending the notice of redemption, such redemption shall be conditional on such moneys being so held on the date set for redemption and if not so held by such date, the redemption shall be cancelled and be of no force and effect.

Each redemption notice must contain, at a minimum, the complete official name of the issue with series designation, CUSIP number (if applicable), certificate numbers, amount of each Bond called (for partial calls), date of issue, interest rate, maturity date, publication date (date of release to the general public, or the date of general mailing of notices to Bond owners and information services), redemption date, redemption price, redemption agent and the name and address of the place where Bonds are to be tendered, including the name and phone number of the contact person. As applicable, such redemption notices may contain a statement that no representation is made as to the accuracy of the CUSIP numbers printed therein or on the Bonds.

4. **Issuance and Transfer of Bonds.** The Bank will issue the Bonds to registered owners, require the Bonds to be surrendered and cancelled and new Bonds issued upon transfer, and maintain a set of registration books showing the names and addresses of the owners from time to time of the Bonds. The Bank shall promptly record in the registration books all changes in ownership of the Bonds.

5. **Payment Deposit.** The District will transfer immediately available funds to the Bank no later than one (1) business day prior to or, if agreed to by the parties hereto, on the date on which the interest, principal and premium payments (if any) are due on the Bonds, but in no event later than 1:00 p.m., eastern time, on the date such payments are due. The Bank shall not be responsible for payments to Bond owners from any source other than moneys transferred to it by the District.

6. **Collateral.** The Bank shall collateralize the funds on deposit at the Bank in accordance with A.R.S. §§ 35-323 and 35-491.

7. **Turnaround Time.** The Bank will comply with the 3 business day turnaround time required by Securities and Exchange Commission Rule 17Ad-2 on routine transfer items.

8. **Fee Schedule; Initial Fee.** For its services under this Contract, the District will pay the Bank a one-time fee of \$4,500 from a contribution by Pulte Home Corporation, which shall be due at the initial delivery of the Bonds.

9. **Fees for Services in Subsequent Fiscal Years.** If necessary, the Bank will bill the District prior to July 1, 2016, and prior to each June 1 thereafter.

10. **Costs and Expenses.** The District hereby agrees to pay all costs and expenses of the Registrar pursuant hereto. If, for any reason, the amounts the District agrees to pay herein may not be paid from the assessment levy for debt service on the Bonds, such costs shall be paid by the District from any funds lawfully available therefor and the District agrees to take all actions necessary to budget for and authorize expenditure of such amounts.

11. **Hold Harmless.** The Bank shall indemnify and hold harmless the District, its District Board, the Treasurer of the District and all boards, commissions, officials,

officers and employees of the District, individually and collectively, from the Bank's failure to perform to its standard of care as herein stated.

12. **Standard of Care Required.** In the absence of bad faith on its part in the performance of its services under this Contract, the Bank shall not be liable for any action taken or omitted to be taken by it in good faith and believed by it to be authorized hereby or within the rights and powers conferred upon it hereunder, nor for action taken or omitted to be taken by it in good faith and in accordance with advice of counsel, and shall not be liable for any mistakes of fact or error or judgment or for any actions or omissions of any kind unless caused by its own willful misconduct or negligence.

13. **Entire Contract.** This Contract and *Exhibit A* attached hereto contain the entire understanding of the parties with respect to the subject matter hereof, and no waiver, alteration or modification of any of the provisions hereof, shall be binding unless in writing and signed by a duly authorized representative of all parties hereto.

14. **Amendment.** The Bank and the District each reserves the right to amend any individual service set forth herein or all of the services upon providing a sixty (60) day prior written notice. Any corporation, association or agency into which the Bank may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from such conversion, sale merger, consolidation or transfer to which it is a party, *ipso facto*, shall be and become successor bond registrar and paying agent under this Contract and vested with all or the same rights, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

15. **Resignation or Replacement.** The Bank may resign or the District may replace the Bank as bond registrar, transfer agent and paying agent at any time by giving thirty (30) days' written notice of resignation or replacement to the District or to the Bank, as applicable. The resignation shall take effect upon the appointment of a successor bond registrar and paying agent. A successor bond registrar and paying agent will be appointed by the District; provided, that if a successor bond registrar and paying agent is not so appointed within ten (10) days after a notice of resignation is received by the District, the Bank may apply to any court of competent jurisdiction to appoint a successor bond registrar and paying agent.

In the event the Bank resigns or is replaced, the District reserve the right to appoint a successor bond registrar, transfer agent and paying agent who may qualify pursuant to A.R.S. § 35-491, et seq., or any subsequent statute pertaining to the registration, transfer and payment of bonds. In such event the provisions hereof with respect to payment by the District shall remain in full force and effect, but the District shall then be authorized to use the funds collected for payment of the costs and expenses of the Bank hereunder to pay the successor bond registrar, transfer agent and paying agent or as reimbursement if the District acts as bond registrar, transfer agent and paying agent.

16. **Reports to Arizona State Treasurer.** The Bank shall make such reports to the Arizona State Treasurer pertaining to the retirement of any Bonds and of all payments of interest thereon immediately upon such retirement or payment as may be required by the Arizona State Treasurer pursuant to A.R.S. § 35-502.

17. **Form of Records.** The Bank's records shall be kept in compliance with standards as have been or may be issued from time to time by the Securities and Exchange Commission, the MSRB, the requirements of the Code and any other securities industry standard. Bank shall retain such records in accordance with the applicable record keeping standard of the Internal Revenue Service.

18. **Advice of Counsel and Special Consultants.** When the Bank deems it necessary or reasonable, it may apply to Gust Rosenfeld P.L.C. or such other law firm or attorney approved by the District for instructions or advice. Any fees and costs incurred shall be added to the next fiscal year's fees, costs and expenses to be paid to the Bank.

19. **Examination of Records.** The District, or its duly authorized agents may examine the records relating to the Bonds at the office of the Bank where such records are kept at reasonable times as agreed upon with the Bank and such records shall be subject to audit from time to time at the request of the District, the Bank or the Auditor General of the State of Arizona.

20. **Payment of Unclaimed Amounts.** In the event any check for payment of interest on a Bond is returned to the Bank unendorsed or is not presented for payment within two (2) years from its payment date, or any Bond is not presented for payment of principal at the maturity or redemption date, if funds sufficient to pay such interest or principal due upon such Bond shall have been made available to the Bank for the benefit of the owners thereof, it shall be the duty of the Bank to hold such funds, without liability for interest thereon, for the benefit of the owners of such Bonds who shall thereafter be restricted exclusively to such funds for any claim of whatever nature relating to such Bond or amounts due thereunder. The Bank's obligation to hold such funds shall continue for two (2) years and six (6) months following the date on which such interest or principal payment became due, whether at maturity or at the date fixed for redemption, or otherwise, at which time the Bank shall surrender such unclaimed funds so held to the District, whereupon any claim of whatever nature by the owner of such Bonds arising under such Bond shall be made upon the District.

21. **Invalid Provisions.** If any provision hereof is held to be illegal, invalid or unenforceable under present or future laws, this Contract shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof; and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision.

22. **Mutilated, Lost or Destroyed Bonds.** With respect to Bonds which are mutilated, lost or destroyed, the Bank shall cause to be executed and delivered a new Bond of

like date and tenor in exchange and substitution for and upon the cancellation of such mutilated Bond or in lieu of and in substitution for such Bond lost or destroyed, upon the registered owner's paying the reasonable expenses and charges in connection therewith and, in the case of any Bond destroyed or lost, filing by the registered owner with the Bank and the District of evidence satisfactory to the Bank and the District that such Bond was destroyed or lost, and furnishing the Bank with a sufficient indemnity bond pursuant to A.R.S. § 47-8405.

23. **Conflict of Interest.** Each party gives notice to the other parties that A.R.S. § 38-511 provides that the State of Arizona (the "*State*"), its political subdivisions or any department or agency of either, may within three (3) years after its execution cancel any contract without penalty or further obligation made by the State, its political subdivisions or any of the departments or agencies of either, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any of the departments or agencies of either, is at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

24. **Covenants.** The District has agreed in the Bond Resolution to take all necessary actions required to preserve the tax-exempt status of the Bonds. Such actions may require the calculation of amounts of arbitrage rebate which may be due and owing to the United States. The calculation of such rebate amount may be performed by an individual or firm qualified to perform such calculations and who or which may be selected and paid by the District. If the District does not retain a consultant to do the required calculations concerning arbitrage rebate and if a rebate calculation is required to permit interest on the District's Bonds to be and remain exempt from gross income for federal income tax purposes, the District may include, in addition to all other bills payable under this Contract, the costs and expenses and fees of an arbitrage consultant. The District may contract with a consultant to perform such arbitrage calculations as are necessary to meet the requirements of the Code. All fees, costs and expenses so paid may be deducted from moneys of the District or from tax levies made to pay the interest on the Bonds. Such costs, fees and expenses shall be considered as interest payable on the Bonds. The Bank shall have no responsibilities in connection with this Section.

25. **Arbitrage Rebate Expenses.** Except for the initial fiscal year's costs and expenses, all costs and expenses incurred with respect to services for registration, transfer and payment of the Bonds and, if applicable, for costs and expenses in connection with the calculation of arbitrage rebate will either (i) be treated as interest on the Bonds and the District will include the same in the assessments levied for interest debt service during each of the ensuing fiscal years or (ii) be billed by the District to the developer of the District for payment. The transferor of the Bonds will be responsible for all fees and costs relating to the transfer of ownership of the Bonds.

26. **Waiver of Trial by Jury.** Each party hereto hereby agrees not to elect a trial by jury of any issue triable of right by jury, and waives any right to trial by jury fully to the extent that any such right shall now or hereafter exist with regard to this Contract, or any claim, counterclaim or other action arising in connection herewith. This waiver of right to trial by jury

is given knowingly and voluntarily by each party, and is intended to encompass individually each instance and each issue as to which the right to a trial by jury would otherwise accrue.

27. **Governing Law.** The Contract is governed by the laws of the State.

28. **Transfer Expenses.** The transferor of any Bond will be responsible for all fees and costs relating to such transfer of ownership.

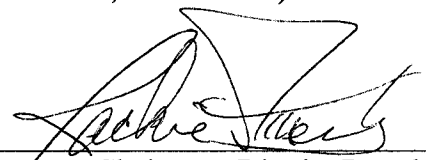
29. **E-verify requirements.** To the extent applicable under A.R.S. § 41-4401, the Bank and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees and compliance with the E-verify requirements under A.R.S. § 23-214(A). The Bank's, or a subcontractor's, breach of the above-mentioned warranty shall be deemed a material breach of this Contract and may result in the termination of the Contract by the District. The District retains the legal right to randomly inspect the papers and records of the Bank and its subcontractors who works on the Contract to ensure that the Bank and its subcontractors are complying with the above-mentioned warranty.

The Bank and its subcontractors warrant to keep the papers and records open for random inspection by the District during normal business hours. The bank and its subcontractors shall cooperate with the District's random inspections including granting the District entry rights onto its property to perform the random inspections and waiving their respective rights to keep such papers and records confidential.

[Signature Page to Follow]

This Contract is dated and effective as of March 1, 2016.

**FESTIVAL RANCH COMMUNITY
FACILITIES DISTRICT (CITY OF
BUCKEYE, ARIZONA)**

By 
Chairman, District Board

ATTEST:


District Clerk

ZIONS BANK, a division of ZB, National
Association, as Bank

By _____
Authorized Representative

Attach as Exhibit A the fee schedule of the Bank.

This Contract is dated and effective as of March 1, 2016.

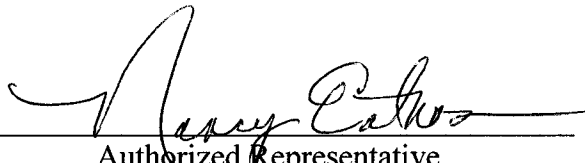
**FESTIVAL RANCH COMMUNITY
FACILITIES DISTRICT (CITY OF
BUCKEYE, ARIZONA)**

By _____
Chairman, District Board

ATTEST:

District Clerk

ZIONS BANK, a division of ZB, National
Association, as Bank

By 
Authorized Representative

Attach as Exhibit A the fee schedule of the Bank.

EXHIBIT A

ZIONS BANK®
Corporate Trust

Zions First National Bank
Corporate Trust Department
an affiliate of National Bank of Arizona

July 7, 2015

SERVICES AND COMPENSATION PROPOSAL

Registrar, Transfer Agent and Paying Agent services for:

Festival Ranch Community Facilities District (Town of Buckeye, Arizona) Assessment Special Assessment
Bonds, AA#10, Parcel L1-2, \$200,000 Private Placement

Acceptance Fee **\$150.00**

This one-time fee includes review and acceptance of the account in accordance with governing documents, administrative review of supporting documents and registration and authentication and delivery of the securities at closing. This one-time fee is payable at closing.

Annual Administration Fee **\$300.00**

This fee compensates Zions First National Bank for regular administrative services which include, but are not limited to, the following: identification and processing of all ticklers in accordance with the Paying Agent/Registrar Agreement; maintenance of administrative records; furnishing information to issuer's auditors and responding to correspondence and telephone inquiries. The first year's fee is payable in advance at closing.

One time prepaid fee at closing of **\$4500.00**

Costs of Issuance Payment Fee (if required) **\$250.00**

This one-time fee compensates Zions First National Bank for administrative services and expenses duties performed in accordance with the Depository Trust Agreement, if applicable. This one-time fee is payable at closing.

Legal Counsel *Waived, if no Counsel opinion required*

Out-of-Pocket Expenses (postage, overnight mail, etc.) **Billed At Cost**

Extraordinary and travel expenses, such as those incurred to attend meetings and/or pre-closing activity, if required, will be billed at actual cost.

Extraordinary Services **By Appraisal**

This quote is pending final review of the governing documents and transactions contemplated thereby and may be subject to change.

\$200,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 10
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2016

CLOSING: March 24, 2016

CLOSING CERTIFICATE OF THE ISSUER

We, the undersigned Chairman and Clerk of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "*Issuer*"), hereby certify as follows:

(1) To partially finance the projects listed on *Exhibit A* hereto, we have executed \$200,000 principal amount of Festival Ranch Community Facilities District (City of Buckeye, Arizona) Assessment District No. 10, Special Assessment Revenue Bonds, Series 2016 (the "*Bonds*"), and we are the duly elected, qualified and acting officers indicated therein and authorized to execute the typewritten Bonds. We further certify that we have executed the Bonds by having our signatures affixed to the Bonds by mechanical reproduction and we hereby adopt as and for our respective signatures the respective signatures shown on the Bonds. The Bonds are dated March 24, 2016, and are in the denomination of \$25,000 each or integral multiples of \$1,000 in excess thereof. The Bonds will mature on July 1, 2035. Terms used but not defined herein shall have the meaning provided in the Issuer's Resolution No. 02-16, adopted on February 2, 2016 (the "*Bond Resolution*").

The Bonds are subject to special redemption prior to maturity, in whole or in part on any Interest Payment Date upon payment of the applicable redemption price which shall consist of the principal amount of the Bonds so redeemed, without premium, plus accrued interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the applicable redemption date without premium (i) the prepayment of any Assessment, if any, by the owner of any assessed real property; and (ii) from the proceeds received from any foreclosure sale of any assessed parcel, to the extent such proceeds are not used to replenish the Reserve Fund to an amount equal to the Reserve Fund Requirement.

The Bonds are subject to optional redemption on or after July 1, 2026, at the option of the Issuer, in whole on any date or in part on any Interest Payment Date, upon payment of the Redemption Price of 100% of the principal amount of the Bonds so redeemed plus accrued interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the redemption date, without premium.

The Bonds will be subject to mandatory sinking fund redemption on the following redemption dates and in the following amounts upon payment of the redemption price, which will consist of the principal amount of the Bonds so redeemed plus accrued interest on the Bonds so redeemed from the most recent Interest Payment Date to the applicable redemption date but without premium.

<u>Redemption Date (July 1)</u>	<u>Principal Amount</u>
2018	\$ 6,626.09
2019	7,007.09
2020	7,410.00
2021	7,836.07
2022	8,286.65
2023	8,763.13
2024	9,267.01
2025	9,799.86
2026	10,363.36
2027	10,959.25
2028	11,589.41
2029	12,255.80
2030	12,960.50
2031	13,705.73
2032	14,493.81
2033	15,327.21
2034	16,208.52
2035	17,140.51
 TOTAL	 <u>\$200,000.00</u>

Interest is payable on January 1 and July 1 of each year during the term of each of the Bonds, commencing on January 1, 2017.

(2) We further certify that, to the best of our knowledge, information and belief:

(i) (a) That the Bond Resolution was duly adopted at a duly called meeting (the "*Meeting*") of the Issuer Board, at which a quorum was present and acting throughout; that the Bond Resolution has not been altered, amended, repealed, revoked or rescinded as of the date hereof; that notice of the Meeting was posted more than twenty-four (24) hours prior to the Meeting and that the Meeting was open to the public.

(b) That the Issuer has no rules of procedure which would invalidate or make ineffective the Bond Resolution.

(c) That the copy of the Bond Resolution included in the transcript of proceedings for the captioned Bonds is a true and correct copy of the Bond Resolution.

(ii) The representations, warranties and covenants contained in the Investor Letters for the Bonds are true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof.

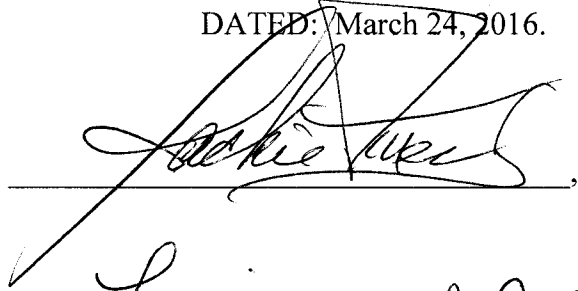
(iii) No litigation is pending or threatened before any judicial, quasi-judicial or administrative forum (A) to restrain or enjoin the issuance or delivery of the Bonds,

the application of the proceeds thereof or the performance by the Issuer of the provisions of the Bond Resolution or the collection of special assessments for payment of the Bonds; (B) in any way contesting or affecting the authority for, or the validity of, the application of the proceeds of the Bonds or (C) in any way contesting the existence or powers of the Issuer.

(iv) No authority or proceedings for the issuance of the Bonds, including but not limited to the Bond Resolution, has been repealed, revoked or rescinded and no petition or petitions to revoke or alter the authorization to issue the Bonds has been filed with or received by any of the undersigned persons.

(v) The Issuer has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to, and to the extent possible before, the date hereof.

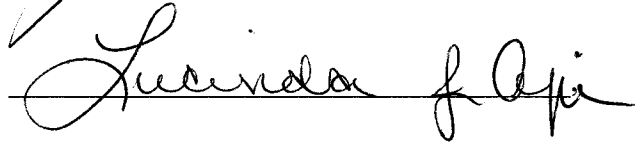
DATED: March 24, 2016.



A handwritten signature in cursive script, appearing to read "Archie Weis", written over a horizontal line. The signature is written in black ink and is somewhat stylized.

OFFICIAL TITLE

Chairman, Festival Ranch Community
Facilities District (City of Buckeye, Arizona)



A handwritten signature in cursive script, appearing to read "Lucinda J. Apic", written over a horizontal line. The signature is written in black ink and is somewhat stylized.

Clerk, Festival Ranch Community Facilities
District (City of Buckeye, Arizona)

EXHIBIT A

**LIST OF PROJECTS TO BE PARTIALLY FINANCED
WITH BOND PROCEEDS**

Public Infrastructure Project (Street Improvements)	Linear Feet	Estimated Acquisition Price
266 th Lane	4,284 total	\$239,500.00 total
266 th Avenue		
266 th Drive		
265 th Lane		
Vista North Drive		
Cat Balue Drive		
Melinda Lane		
Firehawk Drive		

\$200,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 10
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2016

CLOSING: March 24, 2016

TAX CERTIFICATE OF THE DISTRICT

The undersigned are the Chairman of the District Board and Clerk of Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "*District*").

This Certificate is executed for the purpose of establishing certain facts existing as of the date hereof and the reasonable expectations of the District as to future events regarding the \$200,000 principal amount of Festival Ranch Community Facilities District (City of Buckeye, Arizona) Assessment District No. 10, Special Assessment Revenue Bonds, Series 2016 (the "*Bonds*"), dated March 24, 2016. The Bonds mature on July 1, 2035 and are subject to optional and mandatory redemption as shown on *Exhibit B* attached hereto and incorporated by reference herein.

The Bonds are authorized and issued pursuant to the District's Resolution No. 02-16, adopted on February 2, 2016 (the "*Bond Resolution*"), and are being placed with qualified investors by Stifel Nicolaus & Company, Incorporated (the "*Placement Agent*").

This Certificate also sets forth certain terms and conditions relating to the restrictions on the use and investment of the proceeds of the Bonds in order that the interest on the Bonds will be exempt from taxation under the Internal Revenue Code of 1986, as amended (the "*Code*").

The certifications, covenants and representations contained herein are made on behalf of the District for the benefit of the owners from time to time of the Bonds. We hereby certify, covenant and represent for the District the following:

ARTICLE 1
GENERAL

Section 1.1. Authorization. The undersigned are duly authorized officers of the District charged, with others, with the responsibility for executing and delivering this Certificate on the date hereof.

Section 1.2. Reliance on Other Parties. The District in making the representations in this certificate relies on the representations of the Placement Agent as set forth in the Certificate of Placement Agent as to Issue Price dated March 24, 2016, and the Certificate of Financial Advisor Regarding Yield dated March 24, 2016 from FirstSouthwest, a division of Hilltop

Securities Inc. (the "*Financial Advisor*"). The District is not aware of any facts or circumstances that would cause it to question the accuracy or reasonableness of the representations of the Placement Agent or the Financial Advisor.

Section 1.3. Purpose of the Bonds. The Bonds are being issued to provide funds (A) to acquire and construct certain street, improvements within the District and (B) to fund a debt service reserve fund for the Bonds. Costs of Issuance of the Bonds will be paid by a contribution by Pulte Home Corporation.

Section 1.4. Bond Counsel. "*Bond Counsel*" means Gust Rosenfeld P.L.C. or any other nationally recognized firm of attorneys experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds.

Section 1.5. Additional Definitions. The definitions and cross-references set forth in *Exhibit A*, attached hereto, apply to this Certificate and its attachments. The terms used herein and not otherwise defined in this Certificate and its attachments shall have the same meanings as defined in Sections 103 and 141 through 150 of the Code and the Treasury Regulations promulgated thereunder.

Section 1.6. Reasonable Expectations. To the best of each of the undersigned's knowledge, information and belief, the expectations contained in this Certificate are reasonable. On the basis of the information contained in this Certificate and its attachments, it is not expected that the Bonds will be "arbitrage bonds" within the meaning of Section 148 of the Code.

ARTICLE 2 ISSUE DATA

Section 2.1. Governmental Unit. The District is a Governmental Unit.

Section 2.2. Bond Terms. The Bonds shall have such terms as are set forth above. The bonds are dated March 24, 2016, and are in the denomination of \$25,000 each or \$1,000 integral multiples in excess thereof; except the Bonds may be in denominations of less than \$25,000 in multiples of \$1,000 to accommodate special optional redemption and multiples of \$.01 to accommodate any mandatory sinking fund redemption. Interest on the Bonds shall be payable semiannually on January 1 and July 1 of each year during the term of the Bonds, commencing on January 1, 2017.

Section 2.3. Sources and Uses of Proceeds. The total sources and uses of the proceeds of the Bonds are as shown on *Exhibit C*, attached hereto.

Section 2.4. Issue Price, Sale Proceeds and Net Sale Proceeds. The Issue Price, Sale Proceeds and Net Sale Proceeds of the Bonds are as set forth on *Exhibit D* hereto.

Section 2.5. Single Issue. No other obligations other than the Bonds are (a) being sold at substantially the same time (within 15 days) as the Bonds, (b) being sold pursuant to the same plan of financing as the Bonds, and (c) reasonably expected to be paid from substantially

the same source of funds as the Bonds, determined without regard to guarantees from unrelated parties. Accordingly, no obligations other than those that comprise the Bonds are a part of the same issue with the Bonds.

ARTICLE 3 ARBITRAGE (NONREBATE) MATTERS

Section 3.1. Disposition of Sale Proceeds; Temporary Periods. As shown on Exhibit C, attached hereto, the following funds and accounts will be funded at Closing: Bond Fund, Acquisition Fund and Debt Service Reserve Fund. A breakdown of the uses of such funds and the relevant Temporary Period, if applicable, is provided below:

(i) Reserve Fund. An amount of \$18,126.10 will be deposited to the debt service reserve fund and will be used to pay principal and interest on the Bonds in the event that insufficient money is available in the Bond Fund to pay principal and interest when due.

(ii) Issuance Costs. An amount of \$46,741.36 from a cash contribution by Pulte Home Corporation and used to pay Issuance Costs of the Bonds will be deposited in the Issuance and Expense Fund.

(iii) Project Costs.

(a) An amount of \$181,873.90 will be deposited in the Acquisition Fund and used by the District to acquire and construct certain public street improvements.

(b) The District expects that the Net Sale Proceeds allocable to the Bonds will be used to pay costs of the Project within three (3) years from the date hereof and will be applied in a manner that satisfies the requirements of Section 1.148-2(e)(2) of the Treasury Regulations pertaining to the general 3-year Temporary Period for capital projects set forth below:

(1) Expenditure Test. At least eighty-five percent (85%) of the Net Sale Proceeds allocable to the Bonds will be allocated to expenditures for the Project within three (3) years from the date hereof.

(2) Time Test. The District has incurred, or within six (6) months from the date hereof will incur, binding obligations with third parties to commence, acquire or construct the Project and to expend thereon at least five percent (5%) of the Net Sale Proceeds allocable to the Bonds. The binding obligation consists, or will consist, of one or more contracts for acquisition or construction of the Project which are not subject to contingencies which are within the District's or a Related Party's control.

(3) Due Diligence Test. Completion of the Project and the allocation of the Net Sale Proceeds allocable to the Bonds to expenditures will proceed with due diligence.

(c) The Net Sale Proceeds allocable to the Bonds deposited in the Acquisition and Construction Fund may be invested at a yield in excess of the yield of the Bonds and shall be subject to the arbitrage rebate requirements provided in Section 148 of the Code and the Treasury Regulations promulgated thereunder. On or after March 24, 2019, the District shall make appropriate yield reduction payments for any moneys in the Acquisition Fund which are allocable to the Bonds and invested at a yield in excess of the yield of the Bonds.

(d) Interest realized from investment of proceeds of the Bonds deposited in the Acquisition Fund may be invested in obligations without regard to yield limitation for the period ending on March 24, 2019 or, if longer, one year from the date of receipt, and shall be subject to the arbitrage rebate requirements provided in Section 148 of the Code and the Treasury Regulations promulgated thereunder.

Section 3.2. Bond Fund; Temporary Period.

(i) Bona Fide Debt Service Fund. The Bond Fund will be held as a bona fide debt service fund which will be used to pay the principal of and interest on the Bonds, as the same become due. It is reasonably expected that all amounts received as income from the investment of the Bond Fund will be expended to pay the principal of and interest on the Bonds within one year of the receipt thereof.

(ii) Thirteen-Month Temporary Period. Any moneys held in the Bond Fund and allocated to the Bonds, which are to be used to pay principal, interest or call premiums on the Bonds within thirteen (13) months of the receipt thereof, may be invested in obligations that bear a yield in excess of the Bonds. Any other allocable moneys in the Bond Fund may be invested in obligations that bear a yield that does not exceed the yield of the Bonds. Moneys in the Bond Fund are not subject to the arbitrage rebate requirements provided in Section 148 of the Code and the Treasury Regulations promulgated.

Section 3.3. No Other Sinking or Pledged Funds. The District has not established and does not expect to establish or use any sinking fund, debt service fund, redemption fund, reserve or replacement fund, or similar fund, or any other fund to pay principal or interest on the Bonds other than the Bond Fund.

Section 3.4. No Replacement. That portion of the Bonds that is to be used to finance capital expenditures (meaning costs of a type that are properly chargeable to a capital account, or would be so chargeable with a proper election, under general federal income tax principles) has a weighted average maturity that does not exceed 120% of the weighted average reasonably expected economic life of such capital expenditures. Amounts received from the sale of

the Bonds, and amounts derived from investment of such amounts will not replace, directly or indirectly, moneys used, directly or indirectly, to acquire investments which could legally and practically be used to finance the Project, the District having no funds which could be used to finance the Project which are not pledged, budgeted, earmarked or expected to be used for other purposes. It is, therefore, not expected that amounts will replace, directly or indirectly, moneys used directly or indirectly to acquire investments which could be used for the purposes for which the Bonds are being used.

Section 3.5. No Reimbursement. Other than any reimbursement expenditures meeting the requirements of Section 1.150-2(d) or (f) of the Treasury Regulations, no portion of the proceeds from the sale of the Bonds and the earnings from the investment of such proceeds will be used to reimburse the District for expenditures paid by the District prior to the date hereof.

Section 3.6. No Overissuance. The total proceeds to be received from the sale of the Bonds and anticipated investment earnings thereon do not exceed the total of the amount necessary to finance the governmental purposes for which the Bonds are issued as set forth in Section 1.5 of this Certificate.

Section 3.7. Disposition of Project; Purchase of Bonds. The District does not expect to dispose of the Project prior to the maturity or retirement of the Bonds, except for such minor parts or portions thereof as may be disposed of due to normal wear, obsolescence or depreciation. The District does not intend to purchase, directly or indirectly, any portion of the Bonds in a transaction or series of transactions that would reduce the yield of the Bonds.

Section 3.8. Investment of Proceeds. No portion of the Bonds is being issued solely for the purpose of investing the proceeds at a yield higher than the yield of the Bonds or to replace funds which were used, directly or indirectly, to acquire investments with a yield higher than the yield of the Bonds.

Section 3.9. No Abusive Arbitrage Device. The transaction contemplated herein does not represent an exploitation of the difference between taxable and tax-exempt interest rates to obtain a material advantage and does not overburden the tax-exempt bond market in that the District is not issuing more bonds, issuing bonds earlier or allowing bonds to remain outstanding longer than otherwise reasonably necessary to accomplish the governmental purposes of the Bonds.

ARTICLE 4 YIELD AND YIELD LIMITATIONS

Section 4.1. Yield. For purposes of this Certificate and its attachments, yield is calculated as set forth in Section 148(h) of the Code and Sections 1.148-4 and 1.148-5 of the Treasury Regulations. Hence, in general, yield means that discount rate which, when used in computing the present value of all unconditionally payable payments of principal and interest to be paid on an obligation and the cost of Qualified Guarantees (if any) paid and to be paid with respect to such obligation, produces an amount equal to the Issue Price of the obligation. The Placement Agent certifies in the Certificate of Placement Agent Regarding Yield on the Bonds that the Bonds were sold at par and the initial purchaser has purchased the Bonds for its own account and has not

offered or sold and has no present intention to offer or sell the Bonds. For purposes hereof, all calculations of yield have been made on the basis of semiannual compounding using a 360-day year. The yield on the Bonds as computed by the Financial Advisor, is at least 5.7460%.

Section 4.2. Continuing Nature of Yield Limits. Once moneys are subject to the yield limits of Section 4.1 hereof, they remain yield restricted until they cease to be Gross Proceeds of the Bonds.

ARTICLE 5 ARBITRAGE REBATE REQUIREMENTS

Section 5.1 Small Issuer Exception to Rebate Requirement. The aggregate face amount of all tax-exempt bonds or other tax-exempt obligations, as described in the Code, which will be issued by the District (including any subordinate entities thereof) for local government activities during calendar year 2016 is not reasonably expected to exceed \$5,000,000. As such, the District is a small issuer for purposes of Section 148 of the Code, and the Bonds are exempt from the Code's rebate requirements.

Section 5.2 Compliance with Code Provisions. With respect to the statements contained in Section 5.1, the undersigned certify:

- (a) the District is a governmental unit with taxing, condemnation and limited police powers; and
- (b) no bond issued as part of the Bonds will be an industrial development bond (as defined in the Code) or a private loan bond (as defined in the Code, without regard to any exception from such definition).

Section 5.3 Compliance with Rebate Requirements. Notwithstanding any provision of this Article 5, the District will comply with, if applicable, the Rebate Requirements of the Code and Treasury Regulations.

ARTICLE 6 OTHER TAX MATTERS

Section 6.1 Not Private Activity Bonds. The Bonds are not Private Activity Bonds because they do not satisfy both the Private Use Test and the Private Payment or Security Test or the Private Loan Financing Test.

(i) Private Use Test. No portion of the Proceeds of the Bonds will be used to finance an output facility (within the meaning of the Code). The District will not use any of the Proceeds of the Bonds or any of the property acquired, constructed, remodeled, renovated or equipped out of the Proceeds of the Bonds or any proceeds of disposition of such property or suffer or permit such property or proceeds to be used in such a manner that (a) ten percent (10%) or more of the Proceeds of the Bonds are used directly or indirectly in any activity constituting a trade or business by entities other than state or local governmental units (except for use on the same basis as

the general public), (b) five percent (5%) or more of the Proceeds of the Bonds are used as described in (a) either (i) in a manner unrelated to the governmental purpose for which the Bonds are issued or (ii) in a manner related to a governmental purpose for which the Bonds are issued, but in an amount in excess of the amount used for the governmental purpose to which such use relates.

(ii) Private Payment or Security Test. Except for special assessments on property within the assessment district described in the Resolution, the District will not cause the payment of the principal of, or interest on more than ten percent (10%) of the proceeds of the Bonds to be (under the terms of the issue or any underlying arrangement), directly or indirectly, (a) secured by any interest in (i) property used or to be used in a trade or business carried on by a person other than a state or local government unit (except for use on the same basis as the general public), or (ii) payments in respect of such property; or (b) derived from payments (whether or not the District) in respect of property, or borrowed money, used or to be used in a trade or business carried on by a person other than a state or local governmental unit (except for use on the same basis as the general public). For the purpose of this paragraph, any activity of a person other than a natural person shall be treated as a trade or business.

(iii) Private Loan Financing Test. The District will not use any of the Proceeds of the Bonds in a manner that five percent (5%) (or \$5,000,000, if less) of the Proceeds of the Bonds are used directly or indirectly to make or finance loans to entities other than state or local governmental units (other than being used to acquire or carry investments which are not being acquired for the purpose of carrying out the purpose for which the Bonds are issued or being used to finance the assessments).

Section 6.2. Bonds Not Federally Guaranteed. Except for the investments of the type described in the last sentence of this Section 6.2, no portion of the payment of principal or interest on the Bonds or any credit enhancement or liquidity device relating to the foregoing is or will be guaranteed, directly or indirectly (in whole or in part), by the United States (or any agency or instrumentality thereof). No portion of the Gross Proceeds of the Bonds has been or will be used to make loans the payment of principal or interest with respect to which is or will be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof), or invested (directly or indirectly) in federally insured deposits or accounts. The foregoing provisions shall not apply to (A) proceeds of the Bonds invested for an initial temporary period, as described in Section 148(a) of the Code, until such proceeds are needed for the purpose for which said obligations were issued, (B) investments in a bona fide debt service fund (as defined in Section 1.148-1(b) of the Treasury Regulations), (C) investments in a reasonably required reserve or replacement fund that meets the requirements of Section 148(d) of the Code, (D) investments in obligations issued by the United States Treasury, or (E) any other investments permitted under the Treasury Regulations.

Section 6.3. Information Return. The information contained in the Form 8038-G, Information Return for Tax-Exempt Governmental Obligations, is true and complete to the best of the knowledge and belief of the undersigned. The District will file with the Internal Revenue Service Form 8038-G (and all other required reporting forms) within the time and in the manner prescribed by the Internal Revenue Service under Section 149(e) of the Code.

Section 6.4 Qualified Tax-Exempt Obligations. The District did not elect to designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

**ARTICLE 7
MISCELLANEOUS**

Section 7.1. Future Events. The District acknowledges that any changes in facts or expectations from those set forth in this certificate could give rise to different yield restrictions or rebate requirements from those set forth herein. The District shall promptly contact Bond Counsel if such changes do occur.

Section 7.2. Permitted Changes; Opinion of Bond Counsel. In the Bond Resolution, the District covenanted to comply with requirements necessary in order for interest on the Bonds to remain tax exempt for federal income tax purposes under the provisions of the Code. To implement the covenants in the Bond Resolution, the District, certifies, represents to and covenants with the owners from time to time of the Bonds comply with the provisions of this certificate unless and until it receives the opinion of Bond Counsel to the effect that continued compliance with such provision or provisions is not necessary for interest on the Bonds to remain tax exempt under the Code.

[Signature Page to Follow]

Section 7.3. Successors and Assigns. The terms, provisions and conditions of this Tax Certificate shall bind and inure to the benefit of the respective successors and assigns of the District.

Section 7.4. Headings. The headings of this Tax Certificate are inserted for convenience only and shall not be deemed to constitute a part of this Tax Certificate.

DATED: March 24, 2016.

**FESTIVAL RANCH COMMUNITY
FACILITIES DISTRICT (CITY OF
BUCKEYE, ARIZONA)**

By 
Chairman, Board of Directors


By 
Clerk, Board of Directors

EXHIBIT A

DEFINITIONS

The following terms, as used in this Exhibit A and in the Tax Certificate to which it is attached and in the other Exhibits to the Tax Certificate, have the following meanings:

"Bona Fide Debt Service Fund" means a fund, including a portion of or an account in that fund (or in the case of a fund established for two or more bond or note issues, the portion of that fund allocable to an issue pursuant to applicable Treasury Regulations) or a combination of such funds, accounts or portions that is used primarily to achieve a proper matching of revenues and Debt Service on an issue within each Bond Year and that is depleted at least once each Bond Year except for a reasonable carryover amount (not to exceed the greater of the earnings on the fund for the immediately preceding Bond Year or one-twelfth of the principal and interest payments on the Bonds for the immediately preceding Bond Year).

"Bond Year" means the annual period relevant to the application of Section 148(f) to the issue, except that the first and last Bond Years may be less than 12 months long. The last day of a Bond Year shall be the close of business on the day preceding the anniversary of the Issuance Date of the issue unless the Issuer selects another date on which to end a Bond Year in the manner permitted by the Code.

"Certificates of Deposit" means an instrument that has a fixed interest rate, a fixed principal payment schedule, a fixed maturity and a substantial penalty for early withdrawal.

"Code" means the Internal Revenue Code of 1986, as amended.

"Controlled" or **"Controlled Group"** means a group of entities controlled directly or indirectly by the same entity or group of entities within the meaning of Section 1.150-1(e) of the Treasury Regulations.

"Fair Market Value" means, in the case of an investment, the price at which a willing buyer would purchase the investment from a willing seller. If the investment is not readily salable, the Fair Market Value shall be determined by taking into account the price at which a willing buyer would purchase the same (or a substantially similar) investment from the issuer of the investment. The price shall not be increased by brokerage commissions, administrative expenses or similar expenses. The price at which a willing buyer would purchase an investment that is traded in an established securities market (within the meaning of Section 15A.453-1(e)(4)(iv) of the Treasury Regulations) shall generally be determined as provided in Section 20.2031-2 of the Treasury Regulations (relating to estate tax). Different guidelines exist for determining the Fair Market Value of Certificates of Deposit and Guaranteed Investment Contracts as described in subparagraphs (A) and (B), below.

(A) Certificates of Deposit. The purchase of a Certificate of Deposit will be deemed to be an investment purchased at its Fair Market Value if the price at which it is purchased or sold is the bona fide bid price quoted by a dealer who maintains an active secondary market in such Certificates of Deposit. If there is no active secondary market in such Certificates of Deposit, the purchase of such Certificate of Deposit will be deemed to be an investment purchased at its Fair Market Value if (i) at least three bona fide bids are received from unrelated financial institutions, (ii) the Certificate of Deposit is purchased from the financial institution offering the highest yield, (iii) the yield on the Certificate of Deposit is not less than the yield then currently available from the provider on comparable Certificates of Deposit offered to other persons from a source of funds other than Gross Proceeds of an issue of tax-exempt bonds, and (iv) such yield is not less than the yield on reasonably comparable direct obligations of the United States.

Notwithstanding anything stated previously in this subparagraph (A), the yield of a Certificate of Deposit is not less than the highest yield that is published or posted by the provider to be currently available from the provider on comparable Certificates of Deposit offered to the public and such yield is not less than the yield on reasonably comparable direct obligations of the United States.

(B) Guaranteed Investment Contracts. A Guaranteed Investment Contract (a "GIC") will be deemed to be an investment purchased at its Fair Market Value if (i) at least three bids on the GIC from persons other than those with a material financial interest in the tax-exempt issue (e.g., underwriters) are received, (ii) the yield on the GIC purchased is at least equal to the yield offered under the highest bid received from an uninterested party, (iii) the yield on the GIC purchased is at least equal to the yield offered on reasonably comparable GICs offered to other persons, if any, from a source of funds other than Gross Proceeds of an issue of tax-exempt bonds, (iv) the price of the GIC purchased takes into account as a significant factor the issuer's expected drawdown for the funds to be invested (exclusive of float funds and reasonably required reserve or replacement funds), (v) any collateral security requirements for the GIC purchased are reasonable, based upon all facts and circumstances, and (vi) the obligor on or provider of the GIC purchased certifies as to the amount of administrative costs that are reasonably expected to be paid to third parties in connection with the GIC. For purposes of establishing the Fair Market Value of such a GIC, administrative costs of the GIC include brokerage or selling commissions paid by or on behalf of the issuer [or borrower] of the tax-exempt obligations or the obligor on or provider of the GIC, legal and accounting fees, investment advisory fees, recordkeeping, safekeeping, custody and other similar costs or expenses. The GIC may be purchased from an obligor or provider that has a material financial interest in the tax-exempt issue only if the yield on the GIC is at least as high as the highest-yielding GIC for which a qualifying bid is made. Notwithstanding anything stated previously in this subparagraph (B), the purchase of any GIC will be at Fair Market Value if the investment contract has a term of six months or less, the GIC is traded on an established securities market (within the meaning of Section 15A.453-1(e)(4)(iv) of the Treasury Regulations) or the yield (including administrative fees) on the GIC is more than 1/4% (.25%) below the yield on the Bonds and such GIC is not entered into for the purpose of offsetting arbitrage earned or to be earned on other investments of Gross Proceeds.

"501(c)(3) Organization" means an organization described in Section 501(c)(3) of the Code and exempt from federal income taxation under Section 501(a) of the Code.

"Governmental Unit" means a state, territory or possession of the United States, the District of Columbia, or any political subdivision thereof referred to as a "state or local governmental unit" in Section 1.104-1(a) of the Treasury Regulations. "Governmental Unit" does not include the United States or any agency or instrumentality of the United States.

"Gross Proceeds" means Proceeds plus Replacement Proceeds of an issue. See Section 1.148-1(b) of the Treasury Regulations.

"Guaranteed Investment Contract" includes (i) any investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate and (ii) any agreement to supply investments on two or more future dates (e.g., a forward supply contract).

"Higher Yielding Investments" means any investment property (as defined in Sections 148(b)(2) and (b)(3) of the Code) that produces a yield that (i) in the case of investment property allocable to Replacement Proceeds of an issue and investment property in a refunding escrow, is more than one thousandth of one percentage point (.00001) higher than the yield on the applicable issue, and (ii) for all other purposes of this Certificate, is more than one-eighth of one percentage point (.00125) higher than the yield on the applicable issue.

"Issuance Costs" means any financial, legal administrative and other fees or costs incurred in connection with the issuance of an issue, including underwriter's compensation withheld from the Issue Price. See Section 1.150-1(b) of the Treasury Regulations.

"Issuance Date" means the date of physical delivery of an issue by the Issuer in exchange for the purchase price of the issue. See Section 1.150-1(b) of the Treasury Regulations.

"Issue Price" has the meaning set forth in the Tax Certificate and the Placement Agent's Certificates.

"Minor Portion" means an amount equal to the lesser of \$100,000 or 5% of the Sale Proceeds of an issue. See Section 1.148-1(b) of the Treasury Regulations.

"Non-purpose Investments" means any investment property that is acquired with Gross proceeds as an investment and not in carrying out any governmental purpose of the issue. "Non-purpose Investments" does not include any investment that is not regarded as "investment property" or a "non-purpose investment" for the particular purposes of Section 148 (such as certain investments in U.S. Treasury obligations in the State and Local Government Series and certain temporary investments), but does include any other investment that is a "Non-purpose Investment" within the applicable meaning of Section 148 of the Code and the Treasury Regulations promulgated thereunder.

"Pre-Issuance Accrued Interest" means interest on an obligation that accrued for a period not greater than one year before its Issuance Date and that will be paid within one year after the Issuance Date.

"Private Activity Bonds" means obligations of an issue where both the Private Business use Test and the Private Security or Payment Tests are met or where the Private Loan Financing Test is met.

(A) Private Business Use Test. Generally, an issue of bonds will meet the Private Business Use Test if more than ten percent (10%) of the proceeds of the bonds are to be used for any Private Business Use. See Section 141(b)(1) of the Code.

(B) Private Security or Payment Test. Generally, an issue of bonds will meet the Private Security or Payment Test if the payment of the principal of (or interest on) bonds representing more than ten percent (10%) of the proceeds of the issue (i) is secured by (a) any interest in property used in or for a Private Business Use or (b) payments with respect to such property or (ii) is to be derived from payments in respect of property or borrowed money used for a Private Business Use. See Section 141(b)(2) of the Code.

(C) Private Loan Financing Test. Obligations of an issue are also Private Activity Bonds if more than five percent (5%) of the proceeds (or \$5 million, if less) of the issue are to be used to make or finance loans to Private Persons.

"Private Business Use" means any use (direct or indirect) in a trade or business carried on by any person other than a Governmental Unit. Any activity by a corporation, association, or partnership is treated as a trade or business activity.

"Private Person" means any natural person or any artificial person, including a corporation, partnership, trust or other entity, that is not a Governmental Unit and that is not acting solely and directly as an officer or employee of or on behalf of the issuer or another Governmental Unit.

"Qualified Guarantee" means any guarantee of an obligation that constitutes a "qualified guarantee" within the meaning of Section 1.148-4(f) of the Treasury Regulations.

"Rebate Amount" means with respect to an issue as of any date the excess of future value, as of that date, of all receipts on Non-purpose Investments acquired with Gross Proceeds of the issue over the future value, as of that date, of all payments on Non-purpose Investments acquired with Gross Proceeds of the issue, computed in accordance with Section 148(f) of the Code and Section 1.148-3 of the Treasury Regulations.

"Related Party" means in reference to a Governmental Unit or 501(c)(3) Organization, any member of the same Controlled Group, and, in reference to any person that is not a Governmental Unit or 501(c)(3) Organization, a related person is defined in Section 144(a)(3) of the Code.

"Replacement Proceeds" means with respect to an issue, amounts (including any investment income but excluding any proceeds of that issue) replaced by proceeds of that issue pursuant to Section 148(a)(2) of the Code. Replacement Proceeds may include amounts held in a sinking fund, pledged fund or reserve or replacement fund for an issue.

"Sale Proceeds" means that portion of the Issue Price actually or constructively received by the issuer upon the sale or other disposition of an issue, including any underwriter's compensation withheld from the Issue Price, but excluding Pre-Issuance Accrued Interest. See Section 1.148-1(b) of the Treasury Regulations.

"Temporary Period" means the period of time, as set forth in the Tax Certificate, applicable to particular categories of Proceeds of an issue during which such category of Proceeds may be invested in Higher Yielding Investments without the issue being treated as arbitrage bonds under Section 148 of the Code.

"Transferred Proceeds" means that portion of the proceeds of an issue (including Transferred Proceeds of that issue) that remains unexpended at the time that any portion of the principal of that issue is discharged with the proceeds of a refunding issue and that thereupon becomes proceeds of the refunding issue in accordance with Section 1.148-9(b) of the Treasury Regulations. Transferred Proceeds do not include Replacement Proceeds.

The terms **"bond"**, **"reasonable retainage"**, **"reasonably required reserve or replacement fund"**, **"loan"**, **"sinking fund"**, **"multipurpose issue"**, **"purpose investment"**, **"variable yield issue"** and other terms relating to Code provisions used but not defined in this Certificate shall have the meanings given to them for purposes of Sections 103 and 141 to 150 unless the context indicates another meaning.

EXHIBIT B

MATURITY AND REDEMPTION TERMS

Maturity Date (July 1)	<u>Par Amount</u>	<u>Offering Price</u>	Total for <u>Maturity</u>
2035	\$200,000.00	100.00%	\$200,000.00
TOTAL	<u>\$200,000</u>		<u>\$200,000</u>

Special Optional Redemption. The Bonds are subject to special redemption prior to maturity, in whole or, or from time to time, in part on any Interest Payment Date upon payment of the applicable redemption price which shall consist of the principal amount of the Bonds so redeemed, without premium, plus accrued interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the applicable redemption date without premium (i) if and to the extent on or after the completion of the Improvements, upon direction given to the Trustee by the District, amounts are transferred from the Acquisition Fund for such purpose, and (ii) from the proceeds received from any foreclosure sale of any assessed parcel, to the extent such proceeds are not used to replenish the Reserve Fund to an amount equal to the Reserve Fund Requirement.

The Bonds are subject to special optional redemption from funds of the Issuer at the option of the Issuer in whole or in part, as randomly determined by the Trustee within the applicable maturity, upon payment of the applicable Redemption Price which will consist of the principal amount of the Bonds so redeemed plus accrued interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the applicable redemption date, without premium, if and to the extent moneys are received by the Issuer and held by the Trustee as a result of any one or more of the following events: (i) the prepayment of any Assessment, if any, by the owner of any assessed real property; or (ii) the transfer of moneys from the Reserve Fund established for the Bonds to the Prepayment Account of the Bond Fund pursuant to the Bond Resolution.

Optional Redemption. The Bonds will also be redeemable prior to maturity on or after July 1, 2026, at the option of the District, in whole on any date or from time to time in part on any interest payment date as randomly determined by the District Treasurer upon not more than sixty (60) nor less than thirty (30) days prior notice upon payment of the applicable redemption price which will consist of the principal amount of the Bonds so redeemed from the most recent interest payment date to the applicable redemption date without premium.

Mandatory Redemption. The Bonds will be redeemed from funds of the District prior to maturity on the following redemption dates and in the following (sinking fund) amounts upon not more than sixty (60) nor less than thirty (30) days prior notice, upon payment of the applicable redemption price which consists of the principal amount of the Bonds so redeemed, without premium, plus accrued interest, if any, on the Bonds so redeemed from the most recent interest payment to the applicable redemption date:

<u>Redemption Date (July 1)</u>	<u>Principal Amount</u>
2018*	\$ 6,626.09
2019*	7,007.09
2020*	7,410.00
2021*	7,836.07
2022*	8,286.65
2023*	8,763.13
2024*	9,267.01
2025*	9,799.86
2026*	10,363.36
2027*	10,959.25
2028*	11,589.41
2029*	12,255.80
2030*	12,960.50
2031*	13,705.73
2032*	14,493.81
2033*	15,327.21
2034*	16,208.52
2035	<u>17,140.51</u>
TOTAL	<u>\$200,000.00</u>

* Redemption Dates for Term Bond maturing on July 1, 2035.

EXHIBIT C

SOURCES AND USES OF BOND PROCEEDS AND OTHER MONEYS

SOURCES

Principal amount of Bonds	\$200,000.00
Pulte Home Corporation Cash Contribution	<u>46,741.36</u>
TOTAL SOURCES	\$246,741.36

USES

Deposit to Acquisition Fund	\$182,167.03
Deposit to Debt Service Reserve Fund	17,832.97
Deposit to the Issuance and Expenses Fund	<u>46,741.36</u>
TOTAL USES	\$246,741.36

EXHIBIT D

Principal Amount of Bonds	<u>\$200,000.00</u>
ISSUE PRICE	200,000.00
SALE PROCEEDS	200,000.00
Less: Sale Proceeds deposited in Reserve Fund	(18,126.00)
Less: Minor Portion	<u>(10,000.00)</u>
NET SALE PROCEEDS	\$171,874.00

\$200,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 10
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2016

CLOSING: March 24, 2016

COSTS OF ISSUANCE DISBURSEMENT

Festival Ranch Community Facilities District (City of Buckeye, Arizona) Assessment District No. 10 shall pay from a contribution from Pulte Home Corporation Costs of Issuance to the parties designated as Payees on Exhibit A attached hereto. The amounts shown on Exhibit A are due and payable and have not formed the basis of any prior request for payment.

Dated: March 24, 2016.



Larry Price, District Treasurer

EXHIBIT A

COSTS OF ISSUANCE

The following expenses are to be paid by the District from the Acquisition Fund deposited with the District for that purpose:

<u>Cost of Issuance</u>	<u>Amount</u>
Gust Rosenfeld P.L.C., Bond Counsel	\$26,000.00
Stifel, Nicolaus & Company, Incorporated, Placement Agent	10,000.00
Zions Bank, a division of ZB, National Association, Registrar/Paying Agent	450.00
FirstSouthwest, a Division of Hilltop Securities Inc., Financial Advisor	5,000.00
DTC/CUSIPs – Stifel, Nicolaus & Company, Incorporated	<u>1,241.39</u>
TOTAL	<u>\$42,691.39</u>

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
20070397283 04/04/2007 11:16
00671800148AA-5-1-1--
ELECTRONIC RECORDING

When recorded return to:

Keith C. Hoskins, Esq.
Gust Rosenfeld P.L.C.
201 E. Washington Street, Suite 800
Phoenix, Arizona 85004-2327

**COMMUNITY FACILITIES DISTRICT
ASSESSMENT COLLECTION AGREEMENT**

This Community Facilities District Assessment Collection Agreement is by and between the Treasurer of Maricopa County (the "Treasurer") and the Festival Ranch Community Facilities District (Town of Buckeye, Arizona) (the "District").

RECITALS

The District is a community facilities district formed pursuant to A.R.S. Title 48, Chapter 4, Article 6 by the Town of Buckeye, Arizona. The Treasurer is the Treasurer of the county within which the District is located.

Pursuant to A.R.S. § 48-721, the District and the Treasurer may enter into an agreement for the collection by the Treasurer of special assessments levied within the District. Now therefore, the District and the Treasurer agree as follows:

1. **Definitions.** The following terms indicated by initial capitals will have the following meanings when used herein:

"Annual Assessment Amount" means for any Assessment Parcel the total amount, including principal, interest and fees, to the even penny, to be collected during the Assessment Year on the Assessment with respect to such Assessment Parcel as determined by the District.

"Assessment" means with respect to any one or more Assessment Parcels, the amount levied by the District as a special assessment against such parcels to secure the payment of Bonds.

"Assessment Parcels" means those lots, parcels and pieces of land identified by an Assessor's Parcel Number and by a District Assessment Number which are subject to unpaid Assessments within the District.

"Assessment Year" means the 12-month period beginning July 1 of one calendar year and ending June 30 of the following calendar year.

"Assessor's Parcel Number" means that number assigned by the Maricopa County Assessor to identify any particular parcel of property for property tax purposes on the tax roll.

"Bonds" means any one or more series of community facilities district assessment bonds issued by the District to fund improvements for the District and secured by Assessments.

"District Assessment Number" means that assessment number given to an Assessment Parcel by the District for the purpose of levying the Assessment.

2. **List of Assessment Parcels.** On or before August 1 of each Assessment Year, the District will deliver to the Treasurer a list of the Assessment Parcels for which the District desires the Treasurer to collect the Annual Assessment Amounts for that Assessment Year, identifying each Assessment Parcel by its Assessor's Parcel Number, its District Assessment Number and its legal description, and specifying the Annual Assessment Amount due in that Assessment Year for each Assessment Parcel. Unless otherwise acceptable to the parties, the information shall be in a digital form as a comma-delimited text file where each record/line in the file consists of the following items, separated by a comma:

- District Assessment Number (up to 25 characters);
- Assessor's Parcel Number (no dashes); and
- Annual Assessment Amount (including decimal point, but no commas).

3. **Collection with Tax Bills.** The Treasurer shall include in the regular tax bills for the collection of general property taxes during the Assessment Year, the amount provided by the District for each Assessment Parcel, one-half of the amount due October 1 of the Assessment Year and delinquent as of November 1 of the Assessment Year and one-half of the amount due March 1 of the Assessment Year and delinquent as of May 1 of the Assessment Year.

The Treasurer will take all action to bill for and collect such amounts in the same manner as, and together with, all general property taxes in the County.

4. **Payments of Amount Collected.** The Treasurer shall pay to the District by electronic transfer, in immediately available funds, in the same manner as other general property tax revenues, monthly on the 15th day of each calendar month, all amounts due to the District as a result of the levy of the Assessments during the prior calendar month.

5. **Monthly Reports.** On or before the 15th day of each January and July during the term of this Agreement, the Treasurer shall deliver to the District in a format acceptable to the parties, a list of the Assessments collected, identifying them by Assessor's Parcel Number and District Assessment Number. Periodically, and at the request of the District, the Treasurer may provide a more detailed report.

6. **District Receipt of Payments.** If a tax bill has been issued by the Treasurer, the District shall not collect the amount reflected as due on that bill, but shall direct the

taxpayer to pay that portion of the Assessment through payment of the tax bill. The District may accept the balance of the Assessment, subject to paragraph 7 below.

7. **Collection by District.** The District may exercise any of its rights and powers with respect to collection of the balance of any delinquent Assessments and if such enforcement results in the collection of amounts due, after applying any amounts first to the costs of collection, penalties and interest, the District shall apply the amount collected against the balance of the assessment and not the portion which the Treasurer has included on a tax bill.

8. **Collection by Treasurer.** The Treasurer will follow its procedures for collecting any delinquent amounts of the Assessments in the same manner as general property taxes and will include any amounts so collected in the monthly transfers to the District and identify the Assessment Parcels to which they apply. The Treasurer will notify the District in advance of any sale of delinquent taxes which include an Assessment and immediately upon any sale of delinquent taxes which include an Assessment. The Treasurer shall not include in any sale of delinquent taxes any Annual Assessment Amount which has been paid, whether to the Treasurer or the District.

9. **Treasurer's Fee.** The Treasurer may charge the District a fee for expenses directly related to programming for, billing and collecting the Annual Assessment Amount by the Treasurer. The fee shall be billed separately to the District prior to the inclusion of the Assessment Amount on the tax bills and shall not exceed \$6.00 per parcel for each year the Assessment Amount is included on a parcel's tax bill. The District shall remit this fee to the Treasurer prior to the inclusion of the Assessment Amount on the tax bills. Any compensation received by the Treasurer from the fee shall be governed by A.R.S. § 11-496, as amended, and shall not be applied against or reduce the Annual Assessment Amount due.

10. **Term.** The term of this Agreement shall be for the term of any Bonds issued and outstanding, unless extended or terminated early as provided herein. This Agreement may be terminated by either party effective with respect to the Assessment Year commencing no sooner than 60 days after written notice of intent to terminate is delivered to the other party. Termination of this Agreement does not terminate the obligation to continue to report on collections of delinquent amounts and for the Treasurer to transmit to the District any amounts collected for so long as any Annual Assessment Amounts included in bills by the Treasurer prior to termination remain unpaid.

11. **Examination of Records.** The District or its duly authorized agents may examine the records relating to the Assessment at the office of the Treasurer where such records are kept at reasonable times as agreed upon with the Treasurer.

12. **Invalid Provisions.** If any provision hereof is held to be illegal, invalid or unenforceable under present or future laws, this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement; and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision.

13. **Conflict of Interest.** Each party gives notice to the other party that A.R.S. Section 38-511 provides that either party may within three (3) years after its execution cancel this Agreement without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of such party, is at any time while this Agreement or any extension of this Agreement is in effect, an employee or agent of the other party in any capacity or a consultant to the other party with respect to the subject matter of this Agreement.

14. **Effective Date.** This Agreement shall be effective upon recordation with the Maricopa County Recorder.

MARICOPA COUNTY TREASURER

By: 

FESTIVAL RANCH COMMUNITY
FACILITIES DISTRICT (TOWN OF
BUCKEYE, ARIZONA)

By: 

ATTEST: 

State of Arizona

County of Maricopa

The foregoing instrument was acknowledged before me this 29th day of March, 2007, by Dawn Schwicker, the Treasurer of Maricopa County, Arizona.

(Seal and Expiration Date)

Charlotte L. Stevens
Notary Public

State of Arizona

County of Maricopa



The foregoing instrument was acknowledged before me this 3rd day of April, 2007, by Bobby Bryant, as Chairman of the District Board of Festival Ranch Community Facilities District (Town of Buckeye, Arizona), an Arizona community facilities district.

(Seal and Expiration Date)

Linda Garrison
Notary Public



\$200,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 10
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2016

CLOSING: March 24, 2016

**CLOSING CERTIFICATE OF
CITY OF BUCKEYE, ARIZONA**

The undersigned, the Mayor, the City Clerk and the City Manager of the City of Buckeye, Arizona (the "*City*"), acting for and on behalf of the City, HEREBY CERTIFY as follows:

1. That they are the duly chosen, qualified and acting Mayor, City Clerk and City Manager of the City, respectively, and as such are familiar with the properties, affairs, books and corporate records of the City.

2. That the City is a duly incorporated and validly existing municipal corporation of the State of Arizona and is governed by duly elected and qualified Mayor and six Council Members.

3. (a) That on April 19, 2005, Resolution No. 39-05 (the "*Resolution*") of the Mayor and Council of the City, ordering formation of Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "*District*") was duly adopted by the Mayor and Council of the City at a duly called meeting (the "*Meeting*") of the Mayor and Council of the City at which a quorum was present and acting throughout; that the Resolution has not been altered, amended, repealed, revoked or rescinded as of the date hereof; that notice of the Meeting was posted more than 24 hours prior to the Meeting and that the Meeting was open to the public.

(b) That the City has no rules of procedure which would invalidate or make ineffective the Resolution.

(c) That the Resolution has not been repealed, revoked or rescinded.

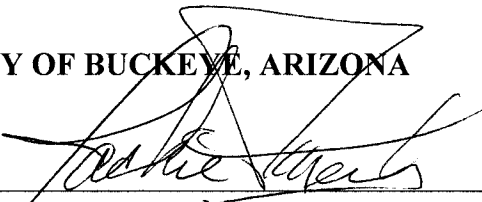
4. That, on the date hereof, the persons named below are the duly qualified and acting incumbents of the offices of the City set forth below their respective signatures and the signatures appearing above their respective names are the genuine official signatures of said officers.

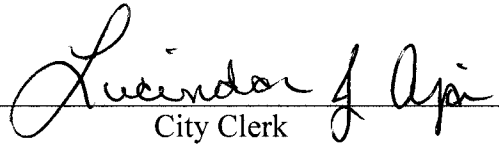
5. That, to the knowledge of the undersigned, no litigation or proceeding is pending or threatened in any court or administrative body contesting the due organization and valid existence of the Council of the City or the City, the titles of the Mayor and members of the Council of the City to their respective offices or the validity, due authorization and execution of the Resolution; contesting the due organization or valid existence of the District.

[Signature Page to Follow]

IN WITNESS WHEREOF, the undersigned have hereunto set their hands and the seal of the City on March 24, 2016.

CITY OF BUCKEYE, ARIZONA

By  _____
Mayor

By  _____
City Clerk

By  _____
City Manager

\$200,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 10
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2016

CLOSING CERTIFICATE OF COMPANY

The undersigned, Bruce E. Robinson, Vice President and Treasurer of Pulte Home Corporation, a Michigan corporation (the "*Company*"), acting for and on behalf of the Company, HEREBY CERTIFIES as follows:

1. That he is duly qualified and acting for and on behalf of the Company and as such is familiar with the books and corporate records of the Company.

2. That the Company is a duly incorporated and validly existing corporation under the laws of the State of Michigan, and is duly authorized and qualified to do business in the State of Arizona, and the Company has no proceedings pending or contemplated with a view to liquidation or dissolution.

3. The Company has the power and authority to execute and deliver the following documents (collectively, the "*Documents*") or, to the extent that any of the Documents were executed and delivered in the past, the Company had such power and authority, and that as executed and delivered by the duly authorized representative of the Company were approved or the execution and delivery thereof was authorized by the Company such approvals and authorizations remain in full force and effect and have not been repealed, revoked or rescinded and, except as noted below, such Documents have not been modified or amended:

(a) The Development, Financing Participation and Intergovernmental Agreement (Festival Ranch Community Facilities District) recorded in Maricopa County, Arizona on April 22, 2005, at Document No. 2005-1333865 (the "*Development Agreement*").

(b) The Festival Ranch Community Facilities District Waiver and Development Agreements, recorded in Maricopa County, Arizona on January 22, 2016, at Document No. 2016-0043977.

(c) The Letter of Indemnity dated March 24, 2016 from the Company to the Festival Ranch Community Facilities District (Town of Buckeye, Arizona) (the "*District*") and Stifel Nicolaus & Company, Incorporated (the "*Placement Agent*").

4. That the representative executing and delivering the Documents had the authority to execute and deliver the Documents.

5. That the person named below was on the date or dates of the execution or acceptance of the Documents, and is on the date hereof, the duly qualified and acting incumbent of the office of the Company appearing below and the signature appearing below is a genuine official signature of said officer.

NAME	TITLE
Bruce E. Robinson	Vice President and Treasurer

6. The consummation of the transactions contemplated by the Documents and the Development Agreement and compliance by the Company with the provisions thereof will not result in any breach of any of the terms, conditions or provisions of, or constitute a default under, any material indenture, agreement or other instrument to which the Company is a party or by which the Company may be bound, which would materially affect the business, properties, assets, liabilities or conditions (financial or otherwise) of the Company taken as a whole.

7. No material consent, approval, authorization or other action by, or filing with, any federal, State or local government authority is required in connection with the execution, delivery and performance by the Company of the obligations of the Company under the Documents or to conduct the business of the Company as presently being conducted.

8. The Company is the sole fee title owner of all of the real property that is assessed in Assessment District No. 10 (the "*Property*") and the Company has accepted the assessments levied against the lots and parcels comprising the Property in the amounts set forth in the assessment approved by the District governing board on February 2, 2016.

9. No litigation or administrative action or proceeding is pending or, to the knowledge of the undersigned, threatened, restraining or enjoining, or seeking to restrain or enjoin, the effectiveness or validity of any the proceedings relating to the formation of the District or Assessment District No. 9, the levying of the assessment, or the issuance of the Bonds or the Documents or the performance by the Company of its obligations set forth in the Documents or contesting or questioning the proceedings and authority under which the Documents have been authorized and are delivered and executed.

10. Attached hereto as *Exhibit A* is a true, complete and correct copy of a Certificate of Good Standing as to the Company issued by the State of Michigan dated March 15, 2016. Nothing has occurred since the date of the Certificate of Good Standing that would cause the Company to no longer be in good standing.

11. Attached hereto as *Exhibit B* is a true, complete and correct copy of a Certificate of Good Standing as to the Company issued by the Arizona Corporation Commission dated March 14, 2016. Nothing has occurred since the date of the Certificate of Good Standing that would cause the Company to no longer be in good standing.

12. All of the representations and warranties of the Company made and contained in the Documents (which representations and warranties are hereby incorporated and

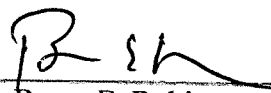
stated herein by reference as fully and with the same effect as if set forth at length herein) are true and correct as of the date hereof as if said representations and warranties were made as of the date hereof.

13. The Company is not now insolvent, nor did the levy of the assessments against property in the District owned by the Company render such Company insolvent or incapable of the performance of any of its obligations including without limitation the Company's ability to pay future assessments against such property nor does the levy of the assessments or the current financial standing of the Company leave the Company with unreasonably small capital or assets rendering the Developer incapable of developing the development.

14. The Company certifies that all improvements financed with the Bonds will be owned by a governmental entity and available for use by the general public, when completed, and that the Company will proceed with all commercially reasonable speed to develop such improvements and the property benefited thereby and to transfer said improvements to the District in due course after the property benefited thereby is developed.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands on March 24, 2016.

PULTE HOME CORPORATION, a Michigan corporation

By: 
Name: Bruce E. Robinson
Title: Vice President and Treasurer

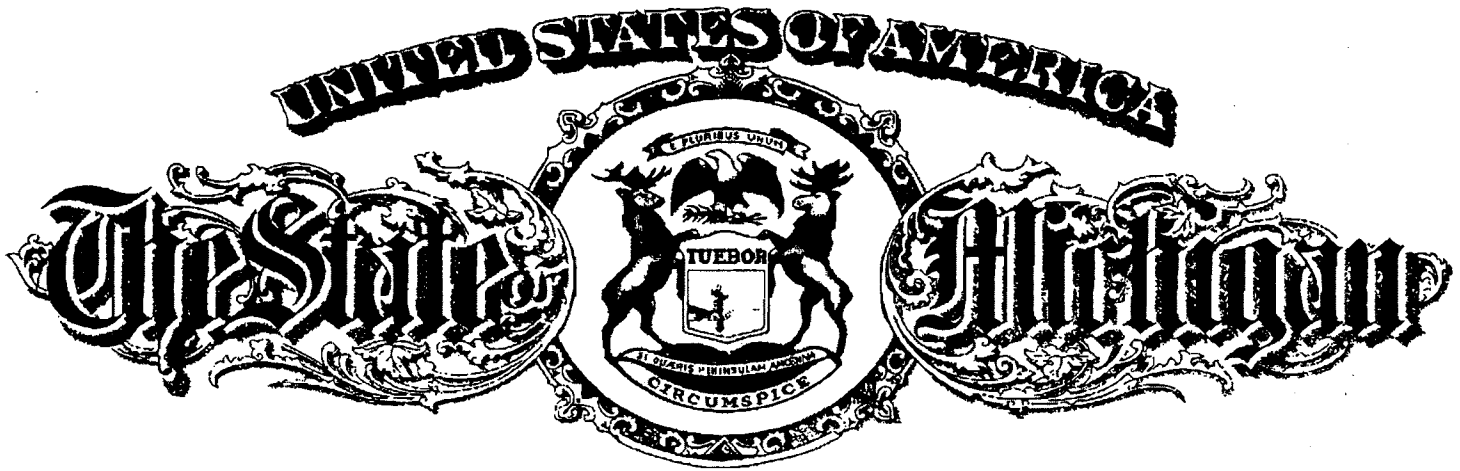
ATTACHMENTS

Exhibit A – Certificate of Good Standing - Michigan
Exhibit B - Certificate of Good Standing – Arizona

EXHIBIT A

CERTIFICATE OF GOOD STANDING – MICHIGAN

[TO BE ATTACHED UPON RECEIPT OF SAME]



Department of Licensing and Regulatory Affairs

Lansing, Michigan

This is to Certify That

PULTE HOME CORPORATION

was validly incorporated on January 24, 1985, as a Michigan profit corporation, and said corporation is validly in existence under the laws of this state.

This certificate is issued pursuant to the provisions of 1972 PA 284, as amended, to attest to the fact that the corporation is in good standing in Michigan as of this date and is duly authorized to transact business and for no other purpose.

This certificate is in due form, made by me as the proper officer, and is entitled to have full faith and credit given it in every court and office within the United States.



Sent by Facsimile Transmission
1374626

In testimony whereof, I have hereunto set my hand, in the City of Lansing, this 15th day of March, 2016.

Julia Dale

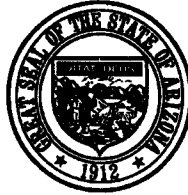
Julia Dale, Director
Corporations, Securities & Commercial Licensing Bureau

EXHIBIT B

CERTIFICATE OF GOOD STANDING – ARIZONA

[See attached.]

STATE OF ARIZONA



Office of the
CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Jodi A. Jerich, Executive Director of the Arizona Corporation Commission, do hereby certify that

*****PULTE HOME CORPORATION*****

a foreign corporation organized under the laws of Michigan did obtain authority to transact business in the State of Arizona on the 21st day of March 1985.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation has not had its authority revoked for failure to comply with the provisions of the Arizona Business Corporation Act; and that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed an Application for Withdrawal as of the date of this certificate.

This certificate relates only to the legal authority of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 14th day of March, 2016, A. D.





Jodi A. Jerich, Executive Director

By: _____ 1391715

OWNER INDEMNITY LETTER
FOR
\$200,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA) ASSESSMENT DISTRICT NO. 10
SPECIAL ASSESSMENT REVENUE BONDS,
SERIES 2016

March 24, 2016

Stifel Nicolaus & Company, Incorporated
2325 E. Camelback Road, Suite 750
Phoenix, AZ 85016

District Board
Festival Ranch Community Facilities
District (Town of Buckeye, Arizona)
c/o Town of Buckeye, Arizona
530 E. Monroe Avenue
Buckeye, Arizona 85326
Attention: District Manager

Re: \$200,000 Festival Ranch Community Facilities District (Town of Buckeye, Arizona) (the "District") Assessment District No. 10 Special Assessment Revenue Bonds, Series 2016

This Indemnity Letter is delivered by Pulte Home Corporation, a Michigan corporation (hereinafter referred to as the "Owner"), in connection with the sale and purchase by certain qualified investors (the "Purchaser") and District of the captioned Bonds (hereinafter referred to as the "Bonds"). Terms which are defined in the District's Resolution No. 01-16 adopted on February 2, 2016 (the "Bond Resolution") have the meanings ascribed to them therein when used herein.

1. The Owner represents and warrants to the Purchaser that:

(a) The Owner is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Michigan and is qualified to transact business in the State of Arizona.

(b) The execution or delivery of this Indemnity Letter, the Waiver Agreement and the Closing Certificate of the Company (hereinafter referred to as, collectively, the "Owner Documents"), and the consummation of any of the transactions herein and therein contemplated, and the fulfillment of, or compliance with the terms hereof or thereof, have been duly authorized by the Owner and, when executed by all parties, will constitute valid, binding and enforceable obligations of the Owner except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights and general principles of equity and except as the indemnification provisions hereof may be limited by applicable securities laws or public policy.

Stifel Nicolaus & Company, Incorporated
District Board
Festival Ranch Community Facilities
District (Town of Buckeye, Arizona)
March 24, 2016
Page 2

(c) There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or, to the best knowledge of the Owner, threatened against the Owner wherein an adverse decision, ruling or finding would (i) materially adversely affect the transactions contemplated by the Owner Documents or (ii) adversely affect the validity or enforceability of the Owner Documents against the Owner.

(d) The Owner has the full power and authority to execute and deliver the Owner Documents and perform its obligations hereunder and thereunder and engage in the transactions contemplated by the Owner Documents.

(e) No consent, approval, authorization or other action by any governmental or regulatory authority that has not been obtained is or will be required for the consummation by the Owner of the transactions contemplated by the Owner Documents, other than certain permits or licenses for construction of certain improvements within the District which have not yet been issued; provided that no representation is made as to the compliance of the offer and sale of the Bonds with any securities law or regulation or any consents, approvals, authorizations or other action by the Town or the District.

2. To the extent permitted by law, the Owner shall indemnify and hold harmless the Purchaser and each director, trustee, partner, member, officer, official or employee thereof and each person, if any, who controls the Purchaser within the meaning of the Securities Act of 1933, as amended (the Purchaser and any such person being herein called an "Purchaser Indemnified Party") and the District and each director, trustee, partner, member, officer, official or employee thereof and each person, if any, who controls the District within the meaning of the Securities Act of 1933, as amended (the District and any such person being herein called a "District Indemnified Party" and, together with each Purchaser Indemnified Party, the "Indemnified Parties"), for, from and against any and all losses, claims, damages or liabilities, several as to the Purchaser Indemnified Parties, but joint or several as to the District Indemnified Parties, (i) to which any such Indemnified Party may become subject, under any statute or regulation at law or in equity or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact set forth in the information identified in Section 1(b) above, taken as a whole, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated in such section(s) or which is necessary to make the statements made therein, in light of the circumstances in which they were made, not misleading in any material respect, (ii) with respect to a District Indemnified Party only, to the extent of the aggregate amount paid in any settlement of any litigation commenced or threatened to the extent arising from a claim based upon any such untrue statement or alleged untrue statement or omission or alleged omission if such settlement is effected with the written consent of the Owner (which consent shall not be unreasonably withheld).

An Indemnified Party shall, promptly after the receipt of notice of a written threat of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against the Owner, notify the Owner in writing of the commencement thereof. Failure of the Indemnified Party to give such notice will reduce the liability of the Owner by the amount of damages attributable to the failure of the Indemnified Party to

Stifel Nicolaus & Company, Incorporated
District Board
Festival Ranch Community Facilities
District (Town of Buckeye, Arizona)
March ~~24~~, 2016
Page 3

give such notice to the Owner, but the omission to notify the Owner of any such action shall not relieve the Owner from any liability that it may have to such Indemnified Party otherwise than under this Section. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify the Owner of the commencement thereof, the Owner may, or if so requested by such Indemnified Party shall, participate therein or assume the defenses thereof, with counsel reasonably satisfactory to such Indemnified Party and the Owner (it being understood that, except as hereinafter provided, the Owner shall not be liable for the expenses of more than one counsel representing the Indemnified Parties in such action), and after notice from the Owner to such Indemnified Party of an election so to assume the defenses thereof, the Owner will not be liable to such Indemnified Party under this Section for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation; provided, however, that unless and until the Owner assumes the defense of any such action at the request of such Indemnified Party, the Owner shall have the right to participate at its own expense in the defense of any such action. If the Owner shall not have employed counsel to have charge of the defense of any such action or if an Indemnified Party shall have reasonably concluded that there may be defenses available to it and/or other Indemnified Parties that are different from or additional to those available to the Owner (in which case the Owner shall not have the right to direct the defense of such action on behalf of such Indemnified Party) or to other Indemnified Parties, reasonable legal and other necessary expenses, including the expense of separate counsel, incurred by such Indemnified Party shall be borne by the Owner.

3. All of the representations, warranties, and agreements of the Owner contained in the Owner Documents shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Purchaser, any controlling person referred to in paragraph 2 hereof or the Owner or (ii) delivery of and payment for the Bonds.

4. This letter is solely for the benefit of the Purchaser and the District and its successors or assigns, and, to the extent provided in paragraph 2 hereof, each Indemnified Party, and no other person shall acquire or have any right under or by virtue hereof. The terms "successors" and "assigns" as used in this letter shall not include any purchaser, as such purchaser, from the Purchaser of the Bonds.

Respectfully submitted,

PULTE HOME CORPORATION,
a Michigan corporation

By: B E R

Printed Name: Bruce E. Robinson

Title: VP-TREASURER

\$200,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 10
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2016

CLOSING: March 24, 2016

**BOND REGISTRAR'S CERTIFICATE OF
COMPLETION AND AUTHENTICATION**

The undersigned, an authorized representative of Bond Registrar, Transfer Agent and Paying Agent (the "*Bond Registrar*") under the Bond Registrar, Transfer Agent and Paying Agent Contract dated as of March 1, 2016, by and between the Festival Ranch Community Facilities District (City of Buckeye, Arizona) and the Bond Registrar hereby certifies that:

(a) An officer, or authorized signatory, of the Bond Registrar duly qualified, empowered and authorized so to act on behalf of the Bond Registrar (as shown by the evidence of authority attached as *Exhibit A*) has signed, as authenticating agent, the Certificate of Authentication appearing on the bonds identified above and initially delivered on this date (the "*Bonds*").

(b) The Bonds have been properly authenticated and reflect the correct interest rate, maturity amount, maturity date and registered owner.

(c) The Bonds so completed and authenticated are in the form of a single bond for each maturity registered in the name of Cede & Co. and held by the Bond Registrar for redelivery through the book-entry-only system of The Depository Trust Company.

Dated: March 24, 2016.

**ZIONS BANK, A DIVISION OF ZB,
NATIONAL ASSOCIATION, as Bond
Registrar**

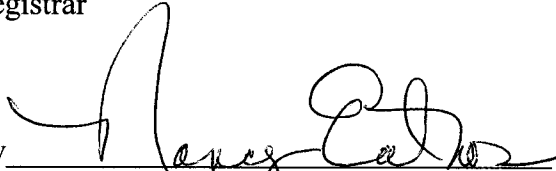
By 
Authorized Representative

EXHIBIT A

SECRETARY'S CERTIFICATE (INCUMBENCY)

I, Thomas E. Laursen, do hereby certify that I am the duly appointed corporate Secretary of ZB, N.A., a national banking association organized and existing under the laws of the United States (the "Association"), and that the following is a true and correct copy of Section 9.2 of the Bylaws of the Association, and has not been amended, altered or repealed, and remains in full force and effect on the date hereof:

9.2 Execution of Instruments. All agreements, indentures, mortgages, deeds, conveyances, transfers, certificates, declarations, receipts, discharges, releases, satisfactions, settlements, petitions, schedules, accounts, affidavits, bonds, undertakings, proxies and other instruments or documents (collectively, "instruments") may be signed, executed, acknowledged, verified, delivered or accepted in behalf of the Association by the chairperson, or the Chief Executive Officer, or any Vice President (however designated), or any other officer who holds a position that is senior to a Vice President (however designated), or the secretary, or if in connection with the exercise of fiduciary powers of the Association, by any of said officers or by any Trust Officer. Any such instruments may also be executed, acknowledged, verified, delivered or accepted in behalf of the Association in such other manner and by such other officers as the board of directors may from time to time direct. The provisions of this Section 9.2 are supplementary to any other provisions of these Bylaws.

I also certify that the following individuals are duly appointed officers of the Association, with authority to execute instruments related to the Association's Zions First National Bank or Zions Trust divisions pursuant to the Bylaws:

Richard J. Sullivan, III - EVP & Trust Officer
Anna McCully - AVP & Trust Officer
Annette Langheinrich - Vice President
Arla K. Scott - Trust Officer
Bryant Eckert - Vice President
Carl J. Mathis - Vice President & Trust Officer
Dan Ellison - Trust Officer
Daniel J. Dixon - Sr. Vice President & Trust Officer
Daryl Pomykala - Vice President
David Van Wagoner - Vice President & Trust Officer
David W. Bata - Sr. Vice President & Trust Officer
Dawn Richards - Vice President & Trust Officer
Deirdre Ward - Vice President & Trust Officer
Eric Mitzel - Vice President
Erin Fitzpatrick - Vice President
Gregory G. Cross - Vice President & Trust Officer
Jacqueline Nowak - Vice President
James E. Becker - Officer
Joni D'Amico - Vice President & Trust Officer
Linda Anderson - Trust Officer
Lorrie Letchworth - Trust Officer
Mark D. Petrasso - SVP & Business Devel. Officer

Mark Henson - Vice President & Trust Officer
Mary Jane Henson – Senior Vice President
Melissa Urishko – AVP & Trust Officer
Michael Jones – Vice President
Nancy Eatros - Vice President & Trust Officer
Neil B. Witoff – Vice President & Trust Officer
Pathricia O’Connor – Vice President & Trust Officer
Ramona K. Johns – AVP & Trust Officer
Robert Cafarelli – Vice President
Robert Demos – Vice President
Ryan M. Pollihan – Vice President & Trust Officer
Sandi Kinney – Vice President & Trust Officer
Sandra D. Stevens – Vice President & Trust Officer
Scott Blair – Vice President & Trust Officer
Shelene Brown – Vice President & Trust Officer
Stephanie Nicholls – Vice President & Trust Officer
Twyla D. Lehto – SVP & Trust Officer

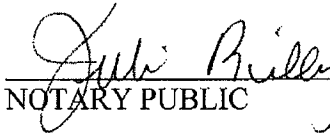
IN WITNESS WHEREOF, I have executed this certificate this 7th day of January, 2016.



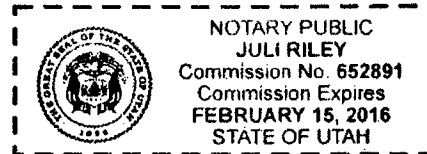
THOMAS E. LAURSEN
Executive Vice President, General Counsel and
Secretary

STATE OF UTAH)
) ss.
COUNTY OF SALT LAKE)

Executed and witnessed before me this 7th day of January, 2016.


NOTARY PUBLIC

[seal]



\$200,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 10
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2016

CLOSING: March 24, 2016

**ACKNOWLEDGEMENT AND REQUEST FOR
AUTHENTICATION AND DELIVERY OF BONDS**

I, Larry Price, District Treasurer of Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "*District*"), hereby acknowledge that I received from the original purchasers on the date of this Certificate the following amounts for the purchase of Festival Ranch Community Facilities District (City of Buckeye, Arizona) Assessment District No. 10 Special Assessment Revenue Bonds, Series 2016 (the "*Bonds*"):

Principal:	<u>\$200,000.00</u>
TOTAL	<u>\$200,000.00</u>

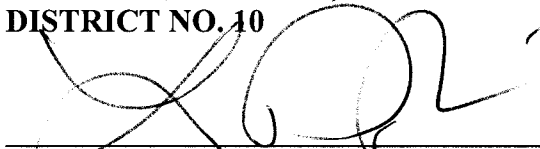
In addition to the above Bond proceeds, I acknowledge that I received from Pulte Home Corporation a contribution in the amount of \$53,000.00 for payment of the costs of issuance of the Bonds.

The undersigned hereby requests that Zions Bank, a division of ZB, National Association, acting as registrar, authenticate \$200,000 principal amount of the Bonds in the amounts and interest rates and maturing on the dates shown in the Closing Certificate of the District appearing in the transcript in which this Certificate is a part and cause the same to be delivered to The Depository Trust Company, as depository for the Bonds.

[Signature Page to Follow]

Dated: March 24, 2016.

**FESTIVAL RANCH COMMUNITY
FACILITIES DISTRICT (CITY OF
BUCKEYE, ARIZONA) ASSESSMENT
DISTRICT NO. 10**



Larry Price, District Treasurer

PLACEMENT AGENT AGREEMENT

March 10, 2016

DISTRICT BOARD
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)

Re: Festival Ranch Community Facilities District (City of Buckeye, Arizona)
Assessment District No. 10, Special Assessment Revenue Bonds, Series
2016

Upon the terms and conditions and based upon the representations, warranties and covenants set forth herein, Stifel, Nicolaus & Company, Incorporated (the "Placement Agent") offers to enter into this Placement Agent Agreement (this "Placement Contract") with the Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "District"), which, upon acceptance of this offer and subject to Paragraph 5 hereof, shall be binding upon the District and the Placement Agent. This offer is made subject to acceptance of this Placement Contract by the District before or on March 10, 2016, and, if not so accepted, will be subject to withdrawal by the Placement Agent upon notice delivered to your office at any time prior to acceptance hereof. If the obligations of the Placement Agent shall be terminated for any reason permitted hereby, neither the Placement Agent nor the District shall be under further obligation hereunder.

The above-captioned bonds (the "Bonds") are to be executed and delivered pursuant to a Resolution of the District Board adopted on February 2, 2016 (the "Resolution").

1. The Placement Agent shall use its best efforts to locate purchasers for the Bonds (the "Purchasers") at a purchase price determined as provided in the Resolution (the "Purchase Price") and on terms consistent with the Resolution. If the Purchasers purchase the Bonds on the hereinafter defined Closing Date, the District will pay a placement fee equal to \$10,000 (the "Fee") to the Placement Agent.

2. The undersigned, on behalf of the District, but not individually, hereby represents and warrants to the Placement Agent (and it shall be a condition of the obligation of the Placement Agent to perform under this Placement Contract that it shall be represented and warranted on the Closing Date) that:

(a) The District is duly organized and validly existing under the laws of the State of Arizona (the "State") with power to adopt the Resolution, perform the agreements on its part contained therein and in the agreements approved thereby and cause the issuance, sale and delivery of the Bonds.

(b) The District has complied and, in all respects on the Closing Date will be in compliance, with all of the provisions of applicable law of the State.

(c) The District has duly adopted the Resolution, and the District has duly authorized and approved the execution and delivery of this Placement Contract, as well as the performance of its obligations contained in the Bonds and the consummation by it of all other transactions contemplated hereby.

(d) The District is not in breach of or default under any applicable law or administrative regulation of the State or any department, division, agency or instrumentality thereof, or of the United States, or any applicable judgment or decree or any loan agreement, note, resolution, certificate, agreement or other instrument to which the District is a party or is otherwise subject, which breach or default would materially and adversely affect the District or its ability to perform its duties and obligations under this Placement Contract, the Resolution and the Bonds, and the execution and delivery of the Documents, the adoption of the Resolution and the issuance, sale and delivery of the Bonds and compliance with the provisions of each will not conflict materially with or constitute a material breach of or default under any applicable law or administrative regulation of the State or under any certificate, agreement or other instrument to which the District is a party or is otherwise subject, which breach or default would materially and adversely affect the District or its ability to perform its duties and obligations under this Placement contract, the Resolution or the Bonds.

(e) No litigation is pending or overtly threatened in any court in any way affecting the existence of the District or the title of the members of the District Board to their respective offices or seeking to restrain or to enjoin the sale, execution or delivery of the Bonds, or the collection or pledge of any revenues pledged or to be pledged under the Resolution to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Resolution or this Placement Contract, or contesting the powers of the District or the members of the District Board with respect to the Bonds.

3. (a) At or prior to 11 a.m. M.S.T. on March 24, 2016, or such other date agreed to by the District and the Placement Agent (the "Closing Date"), the Bonds will be delivered, in definitive fully registered and physically certificated form, duly executed, in denominations specified by the Purchasers, together with the other documents hereinabove mentioned, upon payment of the Purchase Price by wire transfer, in immediately available funds, to the District. Delivery as aforesaid shall be made at a time and place, as shall have been mutually agreed upon by authorized representatives of the Placement Agent and the District, and such payment shall be made simultaneously therewith. This payment and delivery is herein called the "Closing."

(b) On the Closing Date, the Placement Agent shall receive a copy of each of the following documents, each dated the Closing Date:

- (i) a certified copy of the Resolution;
- (ii) an opinion of Bond Counsel, Gust Rosenfeld P.L.C. ("Bond Counsel") in form and substance satisfactory to the Placement Agent;

(iii) a certificate, signed by an authorized officer of the District, to the effect that (i) the representations, warranties and covenants of the District contained herein are true and correct in all material respects on and as of the Closing Date, with the same effect as if made on the Closing Date; (ii) no litigation is pending or, to the knowledge of such officer, threatened in any court in any way affecting the existence of the District or the titles of its officers or directors to their respective positions, or seeking to restrain or to enjoin the sale, execution or delivery of the Bonds, or the collection of any revenues or assets of the District pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Resolution or this Placement Contract, or contesting the powers of the District or its authority with respect to the Bonds, the Resolution or this Placement Contract (but in lieu of or in conjunction with such certificate, the Placement Agent may, in the sole discretion of an authorized representative thereof, accept certificates or opinions of counsel to the District, acceptable to such representative, that in the opinion of such counsel the issues raised in any pending or threatened litigation are without substance or that the contentions of all plaintiffs therein are without merit) and (iii) the District has complied in all material respects with the Resolution and the terms of the Bonds and satisfied all material conditions on its part to be performed or satisfied at or prior to the delivery of the Bonds; and

- (iv) such additional certificates, instruments or opinions as Bond Counsel, the District or the Placement Agent may deem necessary or desirable.

All certificates, instruments, opinions and documents referred to above and any resolutions shall be in form and substance satisfactory to authorized representatives of Bond Counsel, the District and the Placement Agent.

4. The obligation of the Placement Agent to use its best efforts to place the Bonds shall be subject to the performance by the District of the obligations thereof provided hereby in all material respects at or prior to the Closing, and the accuracy in all material respects of the representations and warranties of the District contained herein and shall also be subject to the following conditions:

- (a) The Resolution shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to by the Placement Agent;

(b) The District shall have arranged for payment of the Fee at the time of the Closing; and

(c) All of the other obligations of the District required under or specified in this Placement Contract and the Resolution to be performed at or prior to the Closing shall have been performed in all material respects.

5. This Placement Contract may be terminated by the Placement Agent by notification in writing to you at your office if at any time subsequent to the date hereof and at or prior to the Closing: (i) legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or any member of the Congress or the State legislature or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to impose, directly or indirectly, federal income taxation upon interest received on obligations of the general character of the Bonds or, with respect to State taxation, of the interest on the Bonds or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences or State income tax consequences of any of the transactions contemplated herein; (ii) a stop order, ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission shall be issued or made to the effect that the offering, sale and execution and delivery of the Bonds without registration thereof or obligations of the general character of the Bonds is in violation of any provision of the Securities Act of 1933 or of the Trust Indenture Act of 1939; (iii) in the Congress of the United States, legislation shall be enacted or a bill shall be favorably reported out of committee of either house, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that securities of the District or of any similar body are not exempt from the registration, qualification or other requirements of the Securities Act of 1933 or the Trust Indenture Act of 1939; (iv) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency; (v) there shall have occurred a general suspension of trading on the New York Stock Exchange; (vi) a general banking moratorium shall have been declared by the United States, State of New York, or the State authorities; (vii) there shall have occurred since the date of this Placement Contract any materially adverse change in the affairs or financial condition of the District or (viii) the purchase of and payment for the Bonds on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission.

6. There shall be paid solely from the proceeds of the sale of the Bonds, upon or promptly after the Closing: (a) the cost, if any, of the preparation and printing of the Bonds; (b) the fees and disbursements of Bond Counsel and of any other counsel or consultants retained

by the District and (c) the Fee. The Placement Agent shall be under no obligation to pay any expenses incident to this Placement Contract.

7. The agreements and all representations and warranties herein set forth have been and are made for the benefit of the Placement Agent and the District, and no other person shall acquire or have any right under or by virtue of this Placement Contract.

8. This Placement Contract shall become effective upon the execution of the acceptance hereof by an authorized officer of the District and shall be valid and enforceable as of the time of such acceptance. This Placement Contract may be executed in several counterparts, each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document.

9. This Placement Contract shall be governed by and construed in accordance with the law of the State. As required by the provisions of Section 38-511, Arizona Revised Statutes, notice is hereby given that the State, its political subdivisions (including the District) or any department or agency of either may, within three (3) years after its execution, cancel any contract, without penalty or further obligation, made by the State, its political subdivisions or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any of the departments or agencies of either is, while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice from the Governor or the chief executive officer or governing body of the political subdivision is received by all other parties to the contract unless the notice specifies a later time. The State, its political subdivisions or any department or agency of either may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any department or agency of either from any other party to the contract arising as the result of the contract. This Section is not intended to expand or enlarge the rights of the District hereunder except as required by such Section. Each of the parties hereto hereby certifies that it is not presently aware of any violation of such Section which would adversely affect the enforceability of this Placement Contract and covenants that it shall take no action which would result in a violation of such Section.

10. **Regulatory Disclosure:** The District is aware of Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the Securities and Exchange Commission's adopted rule commonly known as the "Municipal Advisor Rule" (SEC Rule 15Ba1-1 to 15Ba1-8 -"the Rule") and the underwriter exclusion from the definition of "municipal advisor" for a firm serving as an underwriter or placement agent for a particular issuance of municipal securities. Some of the services that the Placement Agent will be called upon to perform, such as providing advice with respect to the sizing, structure, timing and terms of the Bonds issuance, are services that are also commonly provided by financial advisory firms.

However, in providing such services for the Bonds, the parties understand and agree that the Placement Agent is serving as a placement agent for this transaction and is

permitted to give advice and recommendations under the “underwriter exclusion” provision of the Rule. The District agrees that the Placement Agent will not be serving as the District’s financial advisor or acting as an agent or fiduciary for the District and that the District will be consulting with its own legal, financial and other advisors. This Placement Contract and relationship shall be executed, approved or acknowledged by the District Board.

11. **Disclosures Required by MSRB Rule G-17 Concerning the Role of the Placement Agent:** Municipal Securities Rulemaking Board Rule G-17 requires a placement agent to deal fairly at all times with both municipal issuers and investors. The Placement Agent’s primary role is to place the Bonds directly with an investor or investors on behalf of the District without first purchasing the Bonds, and the Placement Agent has financial and other interests that differ from those of the District. Unlike a municipal advisor, the Placement Agent does not have a fiduciary duty to the District under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the District without regard to its own financial or other interests. The Placement Agent will review the official statement for the securities, if any, in accordance with, and as part of, its respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.

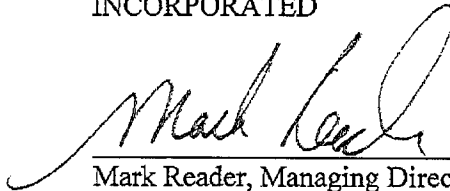
12. **Conflict Waiver:** The District and the Placement Agent acknowledge that Bond Counsel has acted or is acting (i) as counsel to the Placement Agent in other transactions, and (ii) as bond counsel in other transactions of the District. By executing this Placement Contract, the District and the Placement Agent each hereby waive, in connection with the Bonds, any conflict based on prior, ongoing or future representation by Bond Counsel of either or both parties hereto.

[Remainder of page left blank intentionally]

13. If any provision of this Placement Contract shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance or of rendering any other provision or provisions of this Placement Contract invalid, inoperative or unenforceable to any extent whatever.

Respectfully submitted,

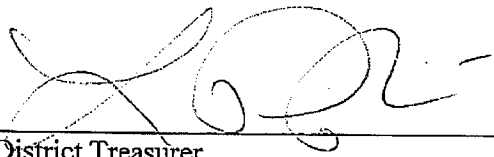
STIFEL, NICOLAUS & COMPANY,
INCORPORATED



Mark Reader, Managing Director

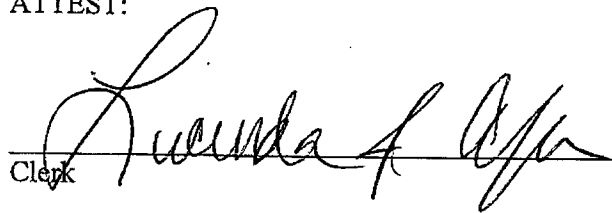
ACCEPTED this 10th day of March, 2016.

FESTIVAL RANCH COMMUNITY FACILITIES
DISTRICT (CITY OF BUCKEYE, ARIZONA)



District Treasurer

ATTEST:



Clerk

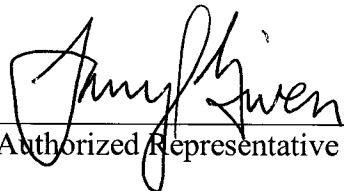
\$200,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 10
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2016

CERTIFICATE OF FINANCIAL ADVISOR
REGARDING YIELD

FirstSouthwest, a division of Hilltop Securities Inc., as Financial Advisor ("*Financial Advisor*") to Festival Ranch Community Facilities District (City of Buckeye, Arizona), with respect to the issuance of the above-referenced bonds, has agreed to determine the yield on the above-referenced bonds (the "*Bonds*"). The term "yield" in this context means the discount rate that, when used in computing the present value as of the date hereof of all unconditionally payable payments of principal, interest and fees for qualified guarantees, if any, on the Bonds, produces an amount equal to the present value, on the date hereof, using the same discount rate, of the aggregate issue price of the Bonds. In determining the yield on the Bonds, the issue price of the Bonds shall be the aggregate of the issue price of each maturity of the Bonds. The issue price of each maturity of the Bonds is that initial offering price to the public (excluding bond houses, brokers and similar persons or organizations acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Bonds of that maturity, i.e., at least ten percent (10%) of such maturity, were reasonably expected, as of the sale date, to be sold. The issue price does not change if part of the issue is later sold at a different price. The issue price of Bonds that are not substantially identical is determined separately. The issue price for which a *bona fide* public offering is made is determined as of the sale date based on reasonable expectations regarding the initial public offering price. Stifel, Nicolaus & Company, Incorporated, as placement agent of the Bonds, has certified to the purchase price of the Bonds in an accompanying Certificate dated the date hereof. Based upon the purchase price so certified, the undersigned hereby certifies that the yield on the above-referenced Bonds is at least 5.7460%.

Dated: March 24, 2016.

**FIRSTSOUTHWEST, A DIVISION OF
HILLTOP SECURITIES INC.**

By: 
Its: Authorized Representative

\$200,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 10
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2016

• **CLOSING: March 24, 2016**

CERTIFICATE OF PLACEMENT AGENT
REGARDING AS TO ISSUE PRICE

This certificate is furnished at the request of Bond Counsel by Stifel, Nicolaus & Company, Incorporated (the "Placement Agent"), as the placement agent of the \$200,000 aggregate principal amount of Festival Ranch Community Facilities District (City of Buckeye, Arizona) Assessment District No. 10 Special Assessment Revenue Bonds, Series 2016 (the "Bonds"). All terms not defined herein have the meanings ascribed to those terms in the Tax Certificate of the City dated the date hereof. The Placement Agent hereby certifies and represents the following, based upon the information available to it:

Issue Price.

1. On March 10, 2016 (the "Sale Date"), the Placement Agent did offer all the Bonds to qualified investors (excluding, to the best of our knowledge, bond houses, brokers, or similar persons acting in the capacity of underwriters or wholesalers) in a bona fide offering, and the Placement Agent reasonably expected that the first prices at which at least 10% of each maturity of the Bonds would be sold by the Placement Agent were the prices shown on Schedule A attached hereto (the "Initial Offering Prices"). The aggregate of the Initial Offering Prices is \$200,000.00.

For the purposes of this certificate, we have assumed that the phrase bond houses, brokers, or similar persons or organizations acting in the capacity as underwriters or wholesalers refers only to persons who, to our actual knowledge, have an arrangement with the Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "Issuer") to act in such capacity on behalf of the Issuer of the Placement Agent.

2. The Initial Offering Prices of the Bonds of each maturity (and stated interest rate) reflected the reasonable expectation of the Placement Agent of the fair market prices of the Bonds at the time of such sales.

3. As of the Sale Date, based upon the then prevailing market conditions, the Placement Agent had no reason to believe any of the Bonds initially would be sold by the Placement Agent at initial offering prices greater than the respective Initial Offering Prices.

Notwithstanding the foregoing, the Placement Agent reminds the Issuer that it is neither accountants or actuaries, nor does it engage in the practice of law. Accordingly, while the Placement Agent believes the calculations described above to be correct, it does not warrant them to be so, nor does it warrant their validity for purposes of Sections 103 and 141 through 150 of the Code.

The Placement Agent understands that Bond Counsel and the Issuer will rely upon this certificate, among other things, in reaching their conclusion that the Bonds do not constitute "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), provided, however, that nothing herein represents our interpretation of any laws, and in particular, regulations under Section 148 of the Code.

Dated: March 24, 2016

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED**

By: 

Authorized Representative

SCHEDULE A

<u>Maturity Date</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Offering</u> <u>Price</u>	<u>Total for</u> <u>Maturity</u> <u>(in dollars)</u>
2035	\$200,000.00	100.00%	\$200,000.00
Total:	<u>\$200,000.00</u>		<u>\$200,000.00</u>

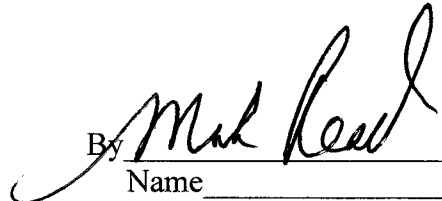
\$200,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 10
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2016

CLOSING: March 24, 2016

RECEIPT FOR BONDS

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated, as the placement agent of \$200,000 principal amount Festival Ranch Community Facilities District (City of Buckeye, Arizona) Assessment District No. 10, Special Assessment Revenue Bonds, Series 2016 (the "*Bonds*"), hereby acknowledges receipt of \$200,000 principal amount of the Bonds for the beneficial interest of certain Qualified Investors on the date set forth below, which Bonds were sold at par, are in fully registered form and are registered in the name of Cede & Co., as nominee for The Depository Trust Company, and which have been duly executed and authenticated by Zions Bank, a division of ZB, National Association.

DATED: March 24, 2016.

By  _____
Name _____

CERTIFICATE OF QUALIFIED INVESTOR

FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT

Zions Bank, a division of ZB, National Association, as Registrar and Paying Agent

Re: Festival Ranch Community Facilities District
(City of Buckeye, Arizona)
Assessment District No. 10
Special Assessment Revenue Bonds, Series 2016 (Private Placement)

Please be advised that the undersigned is, or is an authorized officer of, the purchaser (in either case, the purchaser is hereinafter referred to as the "Purchaser") of a beneficial ownership interest in the captioned bonds (hereinafter referred to as the "Bonds") in the aggregate principal amount of \$30,000. The undersigned hereby acknowledges that the Bonds (i) are not being registered under the federal Securities Act of 1933, as amended (the "Securities Act"), in reliance upon certain exemptions set forth in the Securities Act, (ii) are not being registered or otherwise qualified for sale under the "blue sky" laws and regulations of the State of Arizona or any other state, (iii) will not be listed on any stock or other securities exchange, (iv) will not carry any bond rating from any rating service and (v) are not likely to be readily marketable. The Purchaser assumes all responsibility for complying with any applicable federal and state securities laws in connection with any subsequent offer and sale of such interest in the Bonds and agrees to only offer and sell such interest to or through a broker, dealer or broker-dealer.


In regard to the foregoing, the undersigned hereby certifies, acknowledges, warrants and represents that:

- (1) The Purchaser is one of the following:
 - (a) a "qualified institutional buyer," as such term is defined in Rule 144A, of the Securities Act;
 - (b) an "accredited investor" as defined in Rule 501 of Regulation D of the United States Securities and Exchange Commission;
 - (c) an officer of Stifel, Nicolaus & Company, Incorporated; or
 - (d) an entity in which all of the equity owners, either directly or indirectly, are of the type described under paragraphs (a), (b) or (c) above.
- (2) Such purchase of an interest in the Bonds is for the account of the Purchaser, for the purpose of investment and not with a present intent for distribution or resale.
- (3) An opportunity was available to obtain and the Purchaser has obtained all information which was regarded by the Purchaser as necessary to evaluate and has evaluated the merits and risks of investment in the Bonds, and after such evaluation, the Purchaser understood and knew that investment in the Bonds involved certain risks, including, but not limited to, those related to limited security and source for payment of the Bonds, the volatility of land values, the concentration of ownership of land subject to assessment for payment of the Bonds, the possible transfer of such land by such owner, the failure or

inability of such owner as developer to complete proposed development of such land, and possible delays in payment of the Bonds caused by the bankruptcy and foreclosure of any assessed land owner.

(4) The Purchaser is experienced in transactions such as those relating to the Bonds, is knowledgeable and fully capable of independent evaluation of the risks involved in investing in the Bonds and did not rely on the addressee District or the City of Buckeye, Arizona (the "City"), or any official, officer, director, council member, advisor, employee or agent of either in making its decision to invest in the Bonds.

(5) The Purchaser acknowledges that no offering document, such as an official statement, was prepared by the District and the Purchaser agrees it has obtained all information necessary to make an investment in the Bonds. Neither the District nor the City, nor the respective officials, officers, directors, council members, advisors, employees and agents of either have undertaken to furnish, nor has the undersigned requested, information that may have been furnished to the undersigned by any third party in connection with investment of the Bonds.



PURCHASER

By: _____
Printed Name: Grant Hamill
Title: Managing Director

CERTIFICATE OF QUALIFIED INVESTOR

FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT

Zions Bank, a division of ZB, National Association, as Registrar and Paying Agent

Re: Festival Ranch Community Facilities District
(City of Buckeye, Arizona)
Assessment District No. 10
Special Assessment Revenue Bonds, Series 2016 (Private Placement)

Please be advised that the undersigned is, or is an authorized officer of, the purchaser (in either case, the purchaser is hereinafter referred to as the "Purchaser") of a beneficial ownership interest in the captioned bonds (hereinafter referred to as the "Bonds") in the aggregate principal amount of \$30,000. The undersigned hereby acknowledges that the Bonds (i) are not being registered under the federal Securities Act of 1933, as amended (the "Securities Act"), in reliance upon certain exemptions set forth in the Securities Act, (ii) are not being registered or otherwise qualified for sale under the "blue sky" laws and regulations of the State of Arizona or any other state, (iii) will not be listed on any stock or other securities exchange, (iv) will not carry any bond rating from any rating service and (v) are not likely to be readily marketable. The Purchaser assumes all responsibility for complying with any applicable federal and state securities laws in connection with any subsequent offer and sale of such interest in the Bonds and agrees to only offer and sell such interest to or through a broker, dealer or broker-dealer.

In regard to the foregoing, the undersigned hereby certifies, acknowledges, warrants and represents that:

- (1) The Purchaser is one of the following:
 - (a) a "qualified institutional buyer," as such term is defined in Rule 144A, of the Securities Act;
 - (b) an "accredited investor" as defined in Rule 501 of Regulation D of the United States Securities and Exchange Commission;
 - (c) an officer of Stifel, Nicolaus & Company, Incorporated; or
 - (d) an entity in which all of the equity owners, either directly or indirectly, are of the type described under paragraphs (a), (b) or (c) above.
- (2) Such purchase of an interest in the Bonds is for the account of the Purchaser, for the purpose of investment and not with a present intent for distribution or resale.
- (3) An opportunity was available to obtain and the Purchaser has obtained all information which was regarded by the Purchaser as necessary to evaluate and has evaluated the merits and risks of investment in the Bonds, and after such evaluation, the Purchaser understood and knew that investment in the Bonds involved certain risks, including, but not limited to, those related to limited security and source for payment of the Bonds, the volatility of land values, the concentration of ownership of land subject to assessment for payment of the Bonds, the possible transfer of such land by such owner, the failure or

inability of such owner as developer to complete proposed development of such land, and possible delays in payment of the Bonds caused by the bankruptcy and foreclosure of any assessed land owner.

(4) The Purchaser is experienced in transactions such as those relating to the Bonds, is knowledgeable and fully capable of independent evaluation of the risks involved in investing in the Bonds and did not rely on the addressee District or the City of Buckeye, Arizona (the "City"), or any official, officer, director, council member, advisor, employee or agent of either in making its decision to invest in the Bonds.

(5) The Purchaser acknowledges that no offering document, such as an official statement, was prepared by the District and the Purchaser agrees it has obtained all information necessary to make an investment in the Bonds. Neither the District nor the City, nor the respective officials, officers, directors, council members, advisors, employees and agents of either have undertaken to furnish, nor has the undersigned requested, information that may have been furnished to the undersigned by any third party in connection with investment of the Bonds.

Casillas Technologies, LP
PURCHASER

By: Robert A. Casillas
Printed Name: Robert A. Casillas
Title: President

Casillas Management, Inc.
General Partner

CERTIFICATE OF QUALIFIED INVESTOR

FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT

Zions Bank, a division of ZB, National Association, as Registrar and Paying Agent

Re: Festival Ranch Community Facilities District
(City of Buckeye, Arizona)
Assessment District No. 10
Special Assessment Revenue Bonds, Series 2016 (Private Placement)

Please be advised that the undersigned is, or is an authorized officer of, the purchaser (in either case, the purchaser is hereinafter referred to as the "Purchaser") of a beneficial ownership interest in the captioned bonds (hereinafter referred to as the "Bonds") in the aggregate principal amount of \$30,000. The undersigned hereby acknowledges that the Bonds (i) are not being registered under the federal Securities Act of 1933, as amended (the "Securities Act"), in reliance upon certain exemptions set forth in the Securities Act, (ii) are not being registered or otherwise qualified for sale under the "blue sky" laws and regulations of the State of Arizona or any other state, (iii) will not be listed on any stock or other securities exchange, (iv) will not carry any bond rating from any rating service and (v) are not likely to be readily marketable. The Purchaser assumes all responsibility for complying with any applicable federal and state securities laws in connection with any subsequent offer and sale of such interest in the Bonds and agrees to only offer and sell such interest to or through a broker, dealer or broker-dealer.

In regard to the foregoing, the undersigned hereby certifies, acknowledges, warrants and represents that:

- (1) The Purchaser is one of the following:
 - (a) a "qualified institutional buyer," as such term is defined in Rule 144A, of the Securities Act;
 - (b) an "accredited investor" as defined in Rule 501 of Regulation D of the United States Securities and Exchange Commission;
 - (c) an officer of Stifel, Nicolaus & Company, Incorporated; or
 - (d) an entity in which all of the equity owners, either directly or indirectly, are of the type described under paragraphs (a), (b) or (c) above.
- (2) Such purchase of an interest in the Bonds is for the account of the Purchaser, for the purpose of investment and not with a present intent for distribution or resale.
- (3) An opportunity was available to obtain and the Purchaser has obtained all information which was regarded by the Purchaser as necessary to evaluate and has evaluated the merits and risks of investment in the Bonds, and after such evaluation, the Purchaser understood and knew that investment in the Bonds involved certain risks, including, but not limited to, those related to limited security and source for payment of the Bonds, the volatility of land values, the concentration of ownership of land subject to assessment for payment of the Bonds, the possible transfer of such land by such owner, the failure or

inability of such owner as developer to complete proposed development of such land, and possible delays in payment of the Bonds caused by the bankruptcy and foreclosure of any assessed land owner.

(4) The Purchaser is experienced in transactions such as those relating to the Bonds, is knowledgeable and fully capable of independent evaluation of the risks involved in investing in the Bonds and did not rely on the addressee District or the City of Buckeye, Arizona (the "City"), or any official, officer, director, council member, advisor, employee or agent of either in making its decision to invest in the Bonds.

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Bryan Lundberg
PURCHASER

By: Bryan Lundberg
Printed Name: Bryan Lundberg
Title: Managing Director

CERTIFICATE OF QUALIFIED INVESTOR

FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT

Zions Bank, a division of ZB, National Association, as Registrar and Paying Agent

Re: Festival Ranch Community Facilities District
(City of Buckeye, Arizona)
Assessment District No. 10
Special Assessment Revenue Bonds, Series 2016 (Private Placement)

Please be advised that the undersigned is, or is an authorized officer of, the purchaser (in either case, the purchaser is hereinafter referred to as the "Purchaser") of a beneficial ownership interest in the captioned bonds (hereinafter referred to as the "Bonds") in the aggregate principal amount of \$25,000. The undersigned hereby acknowledges that the Bonds (i) are not being registered under the federal Securities Act of 1933, as amended (the "Securities Act"), in reliance upon certain exemptions set forth in the Securities Act, (ii) are not being registered or otherwise qualified for sale under the "blue sky" laws and regulations of the State of Arizona or any other state, (iii) will not be listed on any stock or other securities exchange, (iv) will not carry any bond rating from any rating service and (v) are not likely to be readily marketable. The Purchaser assumes all responsibility for complying with any applicable federal and state securities laws in connection with any subsequent offer and sale of such interest in the Bonds and agrees to only offer and sell such interest to or through a broker, dealer or broker-dealer.

In regard to the foregoing, the undersigned hereby certifies, acknowledges, warrants and represents that:

- (1) The Purchaser is one of the following:
 - (a) a "qualified institutional buyer," as such term is defined in Rule 144A, of the Securities Act;
 - (b) an "accredited investor" as defined in Rule 501 of Regulation D of the United States Securities and Exchange Commission;
 - (c) an officer of Stifel, Nicolaus & Company, Incorporated; or
 - (d) an entity in which all of the equity owners, either directly or indirectly, are of the type described under paragraphs (a), (b) or (c) above.
- (2) Such purchase of an interest in the Bonds is for the account of the Purchaser, for the purpose of investment and not with a present intent for distribution or resale.
- (3) An opportunity was available to obtain and the Purchaser has obtained all information which was regarded by the Purchaser as necessary to evaluate and has evaluated the merits and risks of investment in the Bonds, and after such evaluation, the Purchaser understood and knew that investment in the Bonds involved certain risks, including, but not limited to, those related to limited security and source for payment of the Bonds, the volatility of land values, the concentration of ownership of land subject to assessment for payment of the Bonds, the possible transfer of such land by such owner, the failure or

inability of such owner as developer to complete proposed development of such land, and possible delays in payment of the Bonds caused by the bankruptcy and foreclosure of any assessed land owner.

(4) The Purchaser is experienced in transactions such as those relating to the Bonds, is knowledgeable and fully capable of independent evaluation of the risks involved in investing in the Bonds and did not rely on the addressee District or the City of Buckeye, Arizona (the "City"), or any official, officer, director, council member, advisor, employee or agent of either in making its decision to invest in the Bonds.

(5) The Purchaser acknowledges that no offering document, such as an official statement, was prepared by the District and the Purchaser agrees it has obtained all information necessary to make an investment in the Bonds. Neither the District nor the City, nor the respective officials, officers, directors, council members, advisors, employees and agents of either have undertaken to furnish, nor has the undersigned requested, information that may have been furnished to the undersigned by any third party in connection with investment of the Bonds.

MIKE LAVALLE
PURCHASER

By: Mike LaValle
Printed Name: MIKE LAVALLE
Title: Managing Director

CERTIFICATE OF QUALIFIED INVESTOR

FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT

Zions Bank, a division of ZB, National Association, as Registrar and Paying Agent

Re: Festival Ranch Community Facilities District
(City of Buckeye, Arizona)
Assessment District No. 10
Special Assessment Revenue Bonds, Series 2016 (Private Placement)

Please be advised that the undersigned is, or is an authorized officer of, the purchaser (in either case, the purchaser is hereinafter referred to as the "Purchaser") of a beneficial ownership interest in the captioned bonds (hereinafter referred to as the "Bonds") in the aggregate principal amount of \$85,000. The undersigned hereby acknowledges that the Bonds (i) are not being registered under the federal Securities Act of 1933, as amended (the "Securities Act"), in reliance upon certain exemptions set forth in the Securities Act, (ii) are not being registered or otherwise qualified for sale under the "blue sky" laws and regulations of the State of Arizona or any other state, (iii) will not be listed on any stock or other securities exchange, (iv) will not carry any bond rating from any rating service and (v) are not likely to be readily marketable. The Purchaser assumes all responsibility for complying with any applicable federal and state securities laws in connection with any subsequent offer and sale of such interest in the Bonds and agrees to only offer and sell such interest to or through a broker, dealer or broker-dealer.

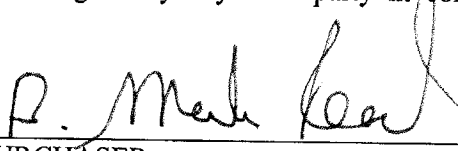
In regard to the foregoing, the undersigned hereby certifies, acknowledges, warrants and represents that:

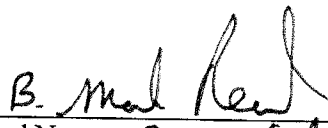
- (1) The Purchaser is one of the following:
 - (a) a "qualified institutional buyer," as such term is defined in Rule 144A, of the Securities Act;
 - (b) an "accredited investor" as defined in Rule 501 of Regulation D of the United States Securities and Exchange Commission;
 - (c) an officer of Stifel, Nicolaus & Company, Incorporated; or
 - (d) an entity in which all of the equity owners, either directly or indirectly, are of the type described under paragraphs (a), (b) or (c) above.
- (2) Such purchase of an interest in the Bonds is for the account of the Purchaser, for the purpose of investment and not with a present intent for distribution or resale.
- (3) An opportunity was available to obtain and the Purchaser has obtained all information which was regarded by the Purchaser as necessary to evaluate and has evaluated the merits and risks of investment in the Bonds, and after such evaluation, the Purchaser understood and knew that investment in the Bonds involved certain risks, including, but not limited to, those related to limited security and source for payment of the Bonds, the volatility of land values, the concentration of ownership of land subject to assessment for payment of the Bonds, the possible transfer of such land by such owner, the failure or

inability of such owner as developer to complete proposed development of such land, and possible delays in payment of the Bonds caused by the bankruptcy and foreclosure of any assessed land owner.

(4) The Purchaser is experienced in transactions such as those relating to the Bonds, is knowledgeable and fully capable of independent evaluation of the risks involved in investing in the Bonds and did not rely on the addressee District or the City of Buckeye, Arizona (the "City"), or any official, officer, director, council member, advisor, employee or agent of either in making its decision to invest in the Bonds.

(5) The Purchaser acknowledges that no offering document, such as an official statement, was prepared by the District and the Purchaser agrees it has obtained all information necessary to make an investment in the Bonds. Neither the District nor the City, nor the respective officials, officers, directors, council members, advisors, employees and agents of either have undertaken to furnish, nor has the undersigned requested, information that may have been furnished to the undersigned by any third party in connection with investment of the Bonds.


PURCHASER

By: 
Printed Name: B. MARK READER
Title: MANAGING DIRECTOR

UNLESS THE PROVISIONS OF THE HEREINAFTER DESCRIBED INDENTURE PROVIDE OTHERWISE, BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS ARE ONLY TRANSFERABLE IN CONNECTION WITH A SALE TO OR THROUGH A BROKER-DEALER IN MINIMUM AUTHORIZED DENOMINATIONS OF \$25,000 OR MORE TO A "QUALIFIED INVESTOR" UPON RECEIPT BY THE TRUSTEE OF THE "CERTIFICATE OF QUALIFIED INVESTOR" IN THE FORM INCLUDED IN THIS BOND. THE TERM "QUALIFIED INVESTOR" SHALL HAVE THE MEANINGS SET FORTH IN THE FORM OF CERTIFICATE INCLUDED IN THIS BOND.

UNITED STATES OF AMERICA
STATE OF ARIZONA

FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 10
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2016

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Issue Date</u>	<u>CUSIP</u>
5.750%	July 1, 2035	March 24, 2016	315599CD0

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED THOUSAND AND NO/100 DOLLARS (\$200,000.00)

Festival Ranch Community Facilities District, a community facilities district formed by the City of Buckeye, Arizona, and duly organized and validly existing, pursuant to the laws of the State of Arizona (hereinafter referred to as the "Issuer"), for value received, hereby promises to pay to the "Registered Owner" specified above or registered assigns (herein referred to as the "Holder"), on the "Maturity Date" specified above, the "Principal Amount" specified above and to pay interest (calculated on the basis of a 360-day year of twelve 30-day months) on the unpaid portion thereof from the "Original Issue Date" specified above, or from the most recent "Interest Payment Date" (as such term is hereinafter defined) to which interest has been paid or duly provided for, until paid or the payment thereof is duly provided for at maturity, semiannually on each January 1 and July 1, commencing January 1, 2017 (each an "Interest Payment Date"), at the per annum "Interest Rate" specified above.

As provided in the Bond Resolution (as defined herein), the interest, principal and Redemption Price (as defined in the Bond Resolution) payable on the Bonds shall be paid to the Registered Owner in same-day funds in accordance with then existing arrangements between the Issuer and the Registered Owner.

If the specified date for any such payment shall not be a Business Day, then such payment may be made on the next succeeding day which is a Business Day without additional interest and with the same force and effect as if made on the specified date for such payment, except that in the event of a moratorium for banking institutions generally in the city where the principal

corporate trust office of the Paying Agent is located, such payment may be made on such next succeeding day except that the Bonds on which such payment is due shall continue to accrue interest until such payment is made or duly provided for.

Words with initial capitals shall have such meanings set forth in the Bond Resolution, unless otherwise defined herein.

Neither the full faith and credit nor the general taxing power of the Issuer, the City of Buckeye, Arizona, Maricopa County, Arizona or the State of Arizona or any political subdivision thereof is pledged to the payment of the Bonds.

Unless the Certificate of Authentication hereon has been executed by the Registrar by manual signature, this Bond shall not be entitled to any benefit under the Bond Resolution or be valid or obligatory for any purpose.

This Bond is one of a duly authorized issue of special assessment revenue bonds of the Issuer having the designation specified in its title (herein referred to as the "*Bonds*"), issued in one series, with the limitations described herein. Pursuant to Resolution No. 02-16, adopted on February 2, 2016 (herein referred to as the "*Bond Resolution*"), the Board of Directors of the Issuer authorized the issuance and sale of not to exceed \$200,000 aggregate principal amount of Bonds for the purpose of financing the costs of acquiring certain public infrastructure, including particularly the acquisition by the Issuer of the improvements and public infrastructure purposes (the "*Improvements*") described in Resolution No. 15-15 which was adopted by the Board of Directors of the Issuer on January 19, 2016. Reference is hereby made to the Bond Resolution for a description of the amounts thereby pledged and assigned, the nature and extent of the lien and security, the respective rights thereunder of the Registered Owner and the Issuer, and the terms upon which the Bonds are, and are to be, authenticated and delivered and by this reference to the terms of which the Registered Owner hereby consents. All Bonds issued under the Bond Resolution are equally and ratably secured by the amounts thereby pledged and assigned.

The Bonds are limited obligations of the Issuer payable only out of the special fund to be collected from special assessments (the "*Assessments*") levied only against the lots or parcels of land fronting on or benefited by the improvements (the "*Assessed Property*") and from amounts held by the Issuer in the Debt Service Reserve Fund (the "*Debt Service Reserve Fund*") under the Bond Resolution. The Assessed Property represents approximately 100 residential lots within Assessment District No. 10 within the District. Said special fund is set apart in accordance with the laws of the state and pursuant to the Bond Resolution for the payment of the Bonds and can be used for no other purpose.

The amount required to be held in the Debt Service Reserve Fund (the "*Debt Service Reserve Fund Requirement*") may be reduced from time to time. Any amount held in the Debt Service Reserve Fund in excess of the Debt Service Reserve Fund Requirement may be transferred to the Bond Fund and used to make payment of principal and interest on the Bonds either at maturity or prior redemption.

Investment earnings on the Debt Service Reserve Fund, to the extent not needed to return the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement, to pay debt service on the Bonds, or to pay rebate to the United States, will be deposited into the Bond Fund.

Notwithstanding any provision hereof or of the Bond Resolution, however, the Bond Resolution may be released and the obligation of the Issuer to make money available to pay this Bond may be defeased by the deposit of money and/or certain direct or indirect Governmental Obligations sufficient for such purpose as described in the Bond Resolution.

The Bonds are issuable as fully registered bonds only in the denominations of \$25,000 and any \$1,000 multiple in excess thereof. If necessary to accommodate a special or optional redemption of Bonds, the Bonds may be in denominations of \$0.01 each and integral multiples of \$0.01.

All Bonds are subject to special optional redemption prior to their stated maturity, at random, at the option of the Issuer, on any Interest Payment Date, from proceeds received by the Issuer from: (i) the prepayment of any assessment by the owner of any assessed real property or (ii) the proceeds of any foreclosure sale of any assessed real property due to a failure to pay an assessment installment. Such proceeds shall be deposited with the Bond Registrar and Paying Agent at least two business days prior to the date of redemption. The special optional redemption shall be at a redemption price of par plus interest accrued to the date of redemption, without premium.

The Bonds will also be redeemable prior to maturity on or after July 1, 2026, at the option of the Issuer, in whole on any date or from time to time in part on any Interest Payment Date as randomly determined by the District Treasurer within the applicable maturity, upon payment of the applicable redemption price which will consist of the principal amount of the Bonds so redeemed plus interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the applicable redemption date, without premium.

The Bonds are subject to mandatory redemption prior to their stated maturity, at random, at a redemption price of par plus interest accrued to the date of redemption, but without premium on the following dates and in the following principal amounts:

<u>Redemption Date (July 1)</u>	<u>Principal Amount</u>
2018	\$ 6,626.09
2019	7,007.09
2020	7,410.00
2021	7,836.07
2022	8,286.65
2023	8,763.13
2024	9,267.01
2025	9,799.86
2026	10,363.36
2027	10,959.25
2028	11,589.41
2029	12,255.80
2030	12,960.50
2031	13,705.73
2032	14,493.81
2033	15,327.21
2034	16,208.52
2035	17,140.51
TOTAL	\$200,000.00

If necessary to accommodate mandatory redemption, the principal amounts of the Bonds redeemed may be in \$.01 increments.

Whenever Bonds which are subject to mandatory redemption are purchased, redeemed (other than pursuant to mandatory redemption) or are delivered by the Issuer to the Bond Registrar and Paying Agent for cancellation, the principal amount of the Bonds so retired shall satisfy and be credited against any mandatory redemption requirements for the Bonds for such years as the Issuer may direct.

Notice of redemption shall be mailed not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption to the Registered Owner to be redeemed, at the address appearing in the Bond Register.

As provided in the Bond Resolution and subject to certain limitations therein set forth, this Bond is transferable on the Bond Register of the Issuer, upon surrender of this Bond for transfer to the Paying Agent at the designated corporate office and duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Issuer and the Paying Agent duly executed by, the registered Holder hereof or his attorney duly authorized in writing, and thereupon one or more new fully registered Bonds of authorized denominations and for the same aggregate principal amount shall be issued to the designated transferee or transferees. Notwithstanding any other provision of this Bond to the contrary, this Bond or any beneficial interest herein is nontransferable unless the transferee or transferees are Qualified Investors and, if Qualified Investors, such Qualified Investors provide the Registrar a completed Certificate of Qualified Investor in the form included in this Bond.

As provided in the Bond Resolution and subject to certain limitations therein set forth, Bonds are exchangeable for a like aggregate principal amount of Bonds in authorized denominations, as requested by the Holder, upon surrender of the Bonds to be exchanged to the Paying Agent at the designated corporate office of the Paying Agent. The Paying Agent may require payment of a sum sufficient to cover any tax or other charges payable in connection therewith.

The Issuer, the Paying Agent and any agent of either of them may treat the Person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Bond be overdue, and none of the Issuer, the Paying Agent and any such agent shall be affected by notice to the contrary.

It is hereby certified, covenanted, and represented that all acts, conditions, and things required to be performed, exist, and be done precedent to or in the issuance of this Bond have been performed, exist, and have been done, in regular and due time, form, and manner, as required by law, and that the Assessments from which said Bonds are to be paid are first liens on the property assessed, subject only to the lien for general taxes and prior special assessments. In case any provision in this Bond or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. This Bond shall be construed in accordance with and governed by the laws of the State of Arizona.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be duly executed.

**FESTIVAL RANCH COMMUNITY
FACILITIES DISTRICT (CITY OF
BUCKEYE, ARIZONA)**

By *Jackie A. Meck*
Jackie A. Meck, District Chairman

ATTEST:

Lucinda J. Ayer
District Clerk

Dated: March 24, 2016.

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds referred to in the within-mentioned Bond Resolution.

**Zions Bank, a division of ZB, National
Association, as Registrar and Paying Agent**

By *Fancy Calvo*
Authorized Representative

Dated: March 24, 2016.

The following abbreviations, when used in the inscription on the face of the within bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM – as tenants in common

UNIF

GIFT/TRANS

MIN

ACT

TEN ENT – as tenants by the entireties

(Cust.)

JT TEN – as joint tenants with right of
(Minor)

Custodian for _____

survivorship and not as tenants in common

Under Uniform Gifts/Transfers to Minors Act of

(State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee:)

(Print or typewrite Social Security or other identifying number of transferee: _____) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints (Print or typewrite name of attorney) _____, attorney, to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____
Signature guarantee should be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Registrar

NOTICE: The signature(s) on this assignment must correspond with the name(s) of the registered owner(s) appearing on the face of the within Bond in every particular

SPECIMEN

["CERTIFICATE OF QUALIFIED INVESTOR"]

FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT

Zions Bank, a division of ZB, National Association, as Registrar and Paying Agent

Re: Festival Ranch Community Facilities District
(City of Buckeye, Arizona)
Assessment District No. 10
Special Assessment Revenue Bonds, Series 2016 (Private Placement)

Please be advised that the undersigned is, or is an authorized officer of, the purchaser (in either case, the purchaser is hereinafter referred to as the "Purchaser") of a beneficial ownership interest in the captioned bonds (hereinafter referred to as the "Bonds") in the aggregate principal amount of \$200,000. The undersigned hereby acknowledges that the Bonds (i) are not being registered under the federal Securities Act of 1933, as amended (the "Securities Act"), in reliance upon certain exemptions set forth in the Securities Act, (ii) are not being registered or otherwise qualified for sale under the "blue sky" laws and regulations of the State of Arizona or any other state, (iii) will not be listed on any stock or other securities exchange, (iv) will not carry any bond rating from any rating service and (v) are not likely to be readily marketable. The Purchaser assumes all responsibility for complying with any applicable federal and state securities laws in connection with any subsequent offer and sale of such interest in the Bonds and agrees to only offer and sell such interest to or through a broker, dealer or broker-dealer.

In regard to the foregoing, the undersigned hereby certifies, acknowledges, warrants and represents that:

- (1) The Purchaser is one of the following:
 - (a) a "qualified institutional buyer," as such term is defined in Rule 144A, of the Securities Act;
 - (b) an "accredited investor" as defined in Rule 501 of Regulation D of the United States Securities and Exchange Commission;
 - (c) an officer of Stifel, Nicolaus & Company, Incorporated; or
 - (d) an entity in which all of the equity owners, either directly or indirectly, are of the type described under paragraphs (a), (b) or (c) above.

(2) Such purchase of an interest in the Bonds is for the account of the Purchaser, for the purpose of investment and not with a present intent for distribution or resale.

(3) An opportunity was available to obtain and the Purchaser has obtained all information which was regarded by the Purchaser as necessary to evaluate and has evaluated the merits and risks of investment in the Bonds, and after such evaluation, the Purchaser understood and knew that investment in the Bonds involved certain risks, including, but not limited to, those related to, limited security and source for payment of the Bonds, the volatility of land values, the concentration of ownership of land subject to assessment for payment of the Bonds, the possible transfer of such land by such owner, the failure or

inability of such owner as developer to complete proposed development of such land, and possible delays in payment of the Bonds caused by the bankruptcy and foreclosure of any assessed land owner.

(4) The Purchaser is experienced in transactions such as those relating to the Bonds, is knowledgeable and fully capable of independent evaluation of the risks involved in investing in the Bonds and did not rely on the addressee District or the City of Buckeye, Arizona (the "City"), or any official, officer, director, council member, advisor, employee or agent of either in making its decision to invest in the Bonds.

(5) The Purchaser acknowledges that no offering document, such as an official statement, was prepared by the District and the Purchaser agrees it has obtained all information necessary to make an investment in the Bonds. Neither the District nor the City, nor the respective officials, officers, directors, council members, advisors, employees and agents of either have undertaken to furnish, nor has the undersigned requested, information that may have been furnished to the undersigned by any third party in connection with investment of the Bonds.

[PURCHASER]

By: _____
Printed Name: _____
Title: _____

SPECIMEN

The Depository Trust Company
A subsidiary of The Depository Trust & Clearing Corporation

BLANKET ISSUER LETTER OF REPRESENTATIONS
[To be Completed by Issuer]

Festival Ranch Community Facilities District
(Town of Buckeye, Arizona)

[Name of Issuer]

October 18, 2005

[Date]

[For Municipal Issues:
Underwriting Department—Eligibility; 50th Floor]
[For Corporate Issues:
General Counsel's Office; 49th Floor]
The Depository Trust Company
55 Water Street
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

Festival Ranch Community Facilities District
(Town of Buckeye, Arizona)

(Issuer)

By: CE Reynolds
(Authorized Officer's Signature)

Carroll Reynolds

(Print Name)

Received and Accepted:

THE DEPOSITORY TRUST COMPANY

By: Dennis K... K... 100 N. Apache, Suite A

(Street Address)

Buckeye, Arizona USA 85326

(City) (State) (Country) (Zip Code)

(602) 386-4691

(Phone Number)

creynolds@buckeyeaz.gov

(E-mail Address)



The Depository Trust &
Clearing Corporation

(To Blanket Issuer Letter of Representations)

**SAMPLE OFFERING DOCUMENT LANGUAGE
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE**

(Prepared by DTC—bracketed material may be applicable only to certain issues)

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity

of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC [nor its nominee], Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.



2325 E. Camelback Road, Suite 750, Phoenix, Arizona 85016 (602) 794-4000

11 Pages Total via Email

FINAL CLOSING MEMORANDUM

		<u>Phone</u>	<u>Email Address</u>
TO:	Those included on the attached Closing Distribution List – Attachment A		
FROM:	Mark Reader – Stifel, Nicolaus & Company, Incorporated Andrea Laning – Stifel, Nicolaus & Company, Incorporated	(602) 794-4011 (602) 794-4026	mreader@stifel.com alaning@stifel.com
CC:	Ruth Hunter – Stifel, Nicolaus & Company, Incorporated Peggy Hickey – Stifel, Nicolaus & Company, Incorporated	(415) 364-6831 (415) 364-6865	rhunter@stifel.com phickey@stifel.com
DATE:	March 23, 2016		
RE:	\$200,000 Festival Ranch Community Facilities District (City of Buckeye, Arizona) Special Assessment District No. 10 [Parcel L1-2] Special Assessment Revenue Bonds, Series 2016 (Private Placement)		

This closing memorandum provides the final pricing, wire information, placement data and bond proceeds disposition necessary to close the transaction.

Closing is scheduled for **Thursday, March 24, 2016** at 9:00 a.m. (MST) via teleconference call. **Dial In instructions: 866-215-9287 followed by passcode: 6027944011#.**

The following data is included within the attachments:

Attachment A – Distribution List

- Attachment B – Bonds Data**
- Sources and Uses of Funds
 - Bond Debt Service
 - Bond Pricing
 - Bond Summary Statistics
 - Proof of Arbitrage Yield
 - Form 8038 Statistics

Festival Ranch Community Facilities District (City of Buckeye, Arizona)
 Assessment District No. 10 (Parcel L1-2)
 Special Assessment Revenue Bonds, Series 2016 (Private Placement)
 March 23, 2016

I. Payment to Festival Ranch Community Facilities District (City of Buckeye, Arizona) Assessment District No. 10 (the "District") from PulteGroup, Inc. (the "Developer")

On **Wednesday, March 23, 2016**, not later than 1:00 p.m. (MST), the Developer will wire **\$46,741.36** to the District for the amount of the Costs of Issuance.

Wire Instructions for delivery are as follows:

Wire Instructions:	
Bank:	National Bank of Arizona
ABA Number:	122105320
For Credit To:	7610000042
Account Name:	City of Buckeye – Combined Cash
Reference:	Festival Ranch CFD No. 10 – SA 2016
Contact:	Kim Sandstrom (623) 349-6163

II. Payment to the District from Stifel

On **Thursday, March 24, 2016** not later than 8:30 a.m. (MST), Stifel will wire **\$200,000.00** (representing the par amount of the Bonds) to the District.

Wire instructions are as follows:

Wire Instructions:	
Bank:	National Bank of Arizona
ABA Number:	122 10 5320
For Credit To:	7610000042
Account Name:	City of Buckeye – Combined Cash
Reference:	Festival Ranch CFD No. 10 – SA 2016
Contact:	Kim Sandstrom (623) 349-6163

III. Bond Proceeds Disposition

Upon receipt of the amount above, the District will deposit the funds as follows:

Bonds Disposition	
Deposit to the Acquisition Fund:	\$182,167.03
Deposit to the Debt Service Reserve Fund:	17,832.97
Deposit to the Issuance and Expenses Fund (From the Developer Contribution):	46,741.36
TOTAL	\$246,741.36

Bond Counsel – Gust Rosenfeld P.L.C.	\$25,000.00
Out of Pocket Expenses	1,000.00
Financial Advisor – First Southwest, a Division of Hilltop Securities Inc.	5,000.00
Trustee, Registrar & Paying Agent – Zions Bank Corporate Trust	4500.00
Placement Agent – Stifel, Nicolaus & Company, Incorporated	10,000.00
DTC/CUSIPs – Stifel, Nicolaus & Company, Incorporated	1,241.39
TOTAL	<u>\$46,741.36</u>

Festival Ranch Community Facilities District (City of Buckeye, Arizona)
Assessment District No. 10 (Parcel L1-2)
Special Assessment Revenue Bonds, Series 2016 (Private Placement)
March 23, 2016

IV. CUSIP Number

CUSIP Number	Maturity
315599 CD0	7/1/2035

ATTACHMENT A
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
ASSESSMENT AREA NO. 10 (Parcel L1-2)
\$200,000, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2016

FINANCING TEAM DISTRIBUTION LIST

Issuer:

**Festival Ranch Community Facilities District
(City of Buckeye, Arizona)**
530 E. Monroe Ave.
Buckeye, AZ 85326
Fax: (623) 349-6099

Stephen Cleveland, District Manager
(623) 349-6000
e-mail: scleveland@buckeyeaz.gov

Larry Price, District Treasurer
(623) 349-6164
e-mail: lprice@buckeyeaz.gov

Kim Sandstrom, Special Districts Manager
(623) 349-6163
e-mail: ksandstrom@buckeyeaz.gov

Lucinda Aja, District Clerk
(623) 349-6911
e-mail: laja@buckeyeaz.gov

Bond Counsel:

Gust Rosenfeld P.L.C.
One E. Washington Street, Suite 1600
Phoenix, AZ 85004
Fax: (602) 340-1538

James Giel, Esq.
(602) 257-7495
e-mail: jgiel@gustlaw.com

Scott Ruby, Esq.
(602) 257-7432
e-mail: sruby@gustlaw.com

Zach Sakas, Esq.
(602) 257-7439
e-mail: zsakas@gustlaw.com

Joan Hubert, Paralegal
(602) 257-7435
e-mail: jhubbert@gustlaw.com

Landowner/Developer:

PulteGroup, Inc.
16767 N. Perimeter Drive, Suite 100
Scottsdale, AZ 85260
Fax: (480) 391-6109

Richard Lopez, P.E., Land Project Manager
(480) 391-6068
e-mail: richard.lopez@pultegroup.com

Laura Meyers, Assistant Land Project Manager
(480) 391-6001
e-mail: laura.meyers@pultegroup.com

Michelle Gregorec, Vice President of Finance
(480) 391-6190
e-mail: michelle.gregorec@pultegroup.com

Kristi Herbst, Director of Finance
(480) 391-6213
e-mail: kristi.herbst@pultegroup.com

Placement Agent:

Stifel, Nicolaus & Company, Incorporated
2325 E. Camelback Road, Suite 750
Phoenix, AZ 85016
Fax: (602) 794-4046

Mark Reader, Managing Director
(602) 794-4011
e-mail: mreader@stifel.com

Andrea Laning, Closing Coordinator
(602) 794-4026
e-mail: alaning@stifel.com

Developer Counsel:

Berens, Kozub, Kloberdanz & Bolstein, PLC
7047 E. Greenway Parkway, Suite 140
Scottsdale, AZ 85254
Fax: (480) 607-2215

Matt Berens, Esq.
(480) 624-2777
e-mail: mberens@bkl-az.com

Financial Advisor:

First Southwest, a Division of Hilltop Securities, Inc.
2398 E. Camelback Road, Suite 340
Phoenix, AZ 85016
Fax: (602) 956-2033

Larry Given, Senior Vice President
(602) 224-7112
e-mail: larry.given@firstsw.com

Karyl Guthery, Senior Office Administrator
(602) 224-7114
e-mail: Karyl.Guthery@firstsw.com

Janelle Gold, Assistant Vice President
(602) 224-7104
e-mail: janelle.gold@firstsw.com

Consulting Engineer:

EPS Group, Inc.
1626 N. Litchfield Road, Suite 310
Goodyear, AZ 85395
Fax: (623) 547-4662

Woodrow Scoutten, P.E.
(623) 547-4661 ext. 244
e-mail: woody.scoutten@epsgroupinc.com

Registrar & Paying Agent:

Zions Bank Corporate Trust
6001 N. 24th Street
Phoenix, AZ 85016

Nancy Eatros, Vice President
(602) 212-5412
e-mail: nancy.eatros@zionsbank.com

ATTACHMENT B

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Bond Summary Statistics.....	4
Proof of Arbitrage Yield.....	5
Form 8038 Statistics	6

SOURCES AND USES OF FUNDS

Festival Ranch Community Facilities District
(City of Buckeye, Arizona)
Assessment Area 10, Parcel L1-2, Series 2016
Private Placement

Dated Date 03/24/2016
Delivery Date 03/24/2016

Sources:

Bond Proceeds:	
Par Amount	200,000.00
Other Sources of Funds:	
PulteGroup Contribution to pay COI/PA Fee	46,741.36
	<hr/>
	246,741.36

Uses:

Project Fund Deposits:	
Acquisition and Construction Fund	182,167.00
Other Fund Deposits:	
Debt Service Reserve Fund	17,832.97
Delivery Date Expenses:	
Cost of Issuance	35,500.00
Placement Agent Fee & Expense Refund	<hr/>
	11,241.39
	46,741.39
	<hr/>
	246,741.36

BOND DEBT SERVICE

Festival Ranch Community Facilities District
 (City of Buckeye, Arizona)
 Assessment Area 10, Parcel L1-2, Series 2016
 Private Placement

Dated Date 03/24/2016
 Delivery Date 03/24/2016

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
01/01/2017			8,848.61	8,848.61	
07/01/2017	3,234.35	5.750%	5,750.00	8,984.35	17,832.96
01/01/2018			5,657.01	5,657.01	
07/01/2018	6,518.94	5.750%	5,657.01	12,175.95	17,832.96
01/01/2019			5,469.59	5,469.59	
07/01/2019	6,893.77	5.750%	5,469.59	12,363.36	17,832.95
01/01/2020			5,271.40	5,271.40	
07/01/2020	7,290.17	5.750%	5,271.40	12,561.57	17,832.97
01/01/2021			5,061.80	5,061.80	
07/01/2021	7,709.35	5.750%	5,061.80	12,771.15	17,832.95
01/01/2022			4,840.16	4,840.16	
07/01/2022	8,152.64	5.750%	4,840.16	12,992.80	17,832.96
01/01/2023			4,605.77	4,605.77	
07/01/2023	8,621.42	5.750%	4,605.77	13,227.19	17,832.96
01/01/2024			4,357.91	4,357.91	
07/01/2024	9,117.15	5.750%	4,357.91	13,475.06	17,832.97
01/01/2025			4,095.79	4,095.79	
07/01/2025	9,641.38	5.750%	4,095.79	13,737.17	17,832.96
01/01/2026			3,818.60	3,818.60	
07/01/2026	10,195.76	5.750%	3,818.60	14,014.36	17,832.96
01/01/2027			3,525.47	3,525.47	
07/01/2027	10,782.02	5.750%	3,525.47	14,307.49	17,832.96
01/01/2028			3,215.49	3,215.49	
07/01/2028	11,401.99	5.750%	3,215.49	14,617.48	17,832.97
01/01/2029			2,887.68	2,887.68	
07/01/2029	12,057.60	5.750%	2,887.68	14,945.28	17,832.96
01/01/2030			2,541.02	2,541.02	
07/01/2030	12,750.91	5.750%	2,541.02	15,291.93	17,832.95
01/01/2031			2,174.44	2,174.44	
07/01/2031	13,484.09	5.750%	2,174.44	15,658.53	17,832.97
01/01/2032			1,786.77	1,786.77	
07/01/2032	14,259.42	5.750%	1,786.77	16,046.19	17,832.96
01/01/2033			1,376.81	1,376.81	
07/01/2033	15,079.34	5.750%	1,376.81	16,456.15	17,832.96
01/01/2034			943.28	943.28	
07/01/2034	15,946.40	5.750%	943.28	16,889.68	17,832.96
01/01/2035			484.82	484.82	
07/01/2035	16,863.30	5.750%	484.82	17,348.12	17,832.94
	200,000.00		138,826.23	338,826.23	338,826.23

BOND PRICING

Festival Ranch Community Facilities District
 (City of Buckeye, Arizona)
 Assessment Area 10, Parcel L1-2, Series 2016
 Private Placement

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Term Bond_2035:	07/01/2035	200,000	5.750%	5.750%	100.000
		200,000			

Dated Date	03/24/2016		
Delivery Date	03/24/2016		
First Coupon	01/01/2017		
Par Amount	200,000.00		
Original Issue Discount			
Production	200,000.00	100.000000%	
Underwriter's Discount			
Purchase Price	200,000.00	100.000000%	
Accrued Interest			
Net Proceeds	200,000.00		

PROOF OF ARBITRAGE YIELD

Festival Ranch Community Facilities District
 (City of Buckeye, Arizona)
 Assessment Area 10, Parcel L1-2, Series 2016
 Private Placement

Date	Debt Service	Present Value to 03/24/2016 @ 5.7460277208%
01/01/2017	8,848.61	8,471.19
07/01/2017	8,984.35	8,360.93
01/01/2018	5,657.01	5,117.45
07/01/2018	12,175.95	10,707.00
01/01/2019	5,469.59	4,675.40
07/01/2019	12,363.36	10,273.03
01/01/2020	5,271.40	4,257.81
07/01/2020	12,561.57	9,862.87
01/01/2021	5,061.80	3,863.34
07/01/2021	12,771.15	9,475.15
01/01/2022	4,840.16	3,490.72
07/01/2022	12,992.80	9,108.69
01/01/2023	4,605.77	3,138.73
07/01/2023	13,227.19	8,762.30
01/01/2024	4,357.91	2,806.26
07/01/2024	13,475.06	8,434.87
01/01/2025	4,095.79	2,492.20
07/01/2025	13,737.17	8,125.34
01/01/2026	3,818.60	2,195.57
07/01/2026	14,014.36	7,832.76
01/01/2027	3,525.47	1,915.39
07/01/2027	14,307.49	7,556.18
01/01/2028	3,215.49	1,650.76
07/01/2028	14,617.48	7,294.71
01/01/2029	2,887.68	1,400.82
07/01/2029	14,945.28	7,047.53
01/01/2030	2,541.02	1,164.77
07/01/2030	15,291.93	6,813.84
01/01/2031	2,174.44	941.84
07/01/2031	15,658.53	6,592.92
01/01/2032	1,786.77	731.30
07/01/2032	16,046.19	6,384.05
01/01/2033	1,376.81	532.47
07/01/2033	16,456.15	6,186.56
01/01/2034	943.28	344.72
07/01/2034	16,889.68	5,999.84
01/01/2035	484.82	167.42
07/01/2035	17,348.12	5,823.28
	338,826.23	200,000.00

Proceeds Summary

Delivery date	03/24/2016
Par Value	200,000.00
Target for yield calculation	200,000.00

FORM 8038 STATISTICS

Festival Ranch Community Facilities District
 (City of Buckeye, Arizona)
 Assessment Area 10, Parcel L1-2, Series 2016
 Private Placement

Dated Date 03/24/2016
 Delivery Date 03/24/2016

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Term Bond_2035:						
	07/01/2017	3,234.35	5.750%	100.000	3,234.35	3,234.35
	07/01/2018	6,518.94	5.750%	100.000	6,518.94	6,518.94
	07/01/2019	6,893.77	5.750%	100.000	6,893.77	6,893.77
	07/01/2020	7,290.17	5.750%	100.000	7,290.17	7,290.17
	07/01/2021	7,709.35	5.750%	100.000	7,709.35	7,709.35
	07/01/2022	8,152.64	5.750%	100.000	8,152.64	8,152.64
	07/01/2023	8,621.42	5.750%	100.000	8,621.42	8,621.42
	07/01/2024	9,117.15	5.750%	100.000	9,117.15	9,117.15
	07/01/2025	9,641.38	5.750%	100.000	9,641.38	9,641.38
	07/01/2026	10,195.76	5.750%	100.000	10,195.76	10,195.76
	07/01/2027	10,782.02	5.750%	100.000	10,782.02	10,782.02
	07/01/2028	11,401.99	5.750%	100.000	11,401.99	11,401.99
	07/01/2029	12,057.60	5.750%	100.000	12,057.60	12,057.60
	07/01/2030	12,750.91	5.750%	100.000	12,750.91	12,750.91
	07/01/2031	13,484.09	5.750%	100.000	13,484.09	13,484.09
	07/01/2032	14,259.42	5.750%	100.000	14,259.42	14,259.42
	07/01/2033	15,079.34	5.750%	100.000	15,079.34	15,079.34
	07/01/2034	15,946.40	5.750%	100.000	15,946.40	15,946.40
	07/01/2035	16,863.30	5.750%	100.000	16,863.30	16,863.30
		200,000.00			200,000.00	200,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	07/01/2035	5.750%	16,863.30	16,863.30		
Entire Issue			200,000.00	200,000.00	12.0718	5.7460%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	35,500.00
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	17,832.97

BOND SUMMARY STATISTICS

Festival Ranch Community Facilities District
 (City of Buckeye, Arizona)
 Assessment Area 10, Parcel L1-2, Series 2016
 Private Placement

Dated Date	03/24/2016
Delivery Date	03/24/2016
First Coupon	01/01/2017
Last Maturity	07/01/2035
Arbitrage Yield	5.746028%
True Interest Cost (TIC)	5.746028%
Net Interest Cost (NIC)	5.750000%
All-In TIC	9.200612%
Average Coupon	5.750000%
Average Life (years)	12.072
Par Amount	200,000.00
Bond Proceeds	200,000.00
Total Interest	138,826.23
Net Interest	138,826.23
Total Debt Service	338,826.23
Maximum Annual Debt Service	17,832.97
Average Annual Debt Service	17,583.60
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	Duration
Term Bond_2035	200,000.00	100.000	5.750%	12.072	8.463
	200,000.00			12.072	

	TIC	All-In TIC	Arbitrage Yield
Par Value	200,000.00	200,000.00	200,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-35,500.00	
- Other Amounts		-11,241.39	
Target Value	200,000.00	153,258.61	200,000.00
Target Date	03/24/2016	03/24/2016	03/24/2016
Yield	5.746028%	9.200612%	5.746028%

Name of Issue: **FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE,
ARIZONA) ASSESSMENT DISTRICT NO. 10, SPECIAL ASSESSMENT REVENUE
BONDS, SERIES 2016**

No bond proceeds were used for the payment of costs of issuance.

No Official Statement was prepared in connection with this financing.

BOND DEBT SERVICE

Festival Ranch Community Facilities District
 (City of Buckeye, Arizona)
 Assessment Area 10, Parcel L1-2, Series 2016
 Private Placement

Dated Date 03/24/2016
 Delivery Date 03/24/2016

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
01/01/2017			8,848.61	8,848.61	
07/01/2017	3,234.35	5.750%	5,750.00	8,984.35	17,832.96
01/01/2018			5,657.01	5,657.01	
07/01/2018	6,518.94	5.750%	5,657.01	12,175.95	17,832.96
01/01/2019			5,469.59	5,469.59	
07/01/2019	6,893.77	5.750%	5,469.59	12,363.36	17,832.95
01/01/2020			5,271.40	5,271.40	
07/01/2020	7,290.17	5.750%	5,271.40	12,561.57	17,832.97
01/01/2021			5,061.80	5,061.80	
07/01/2021	7,709.35	5.750%	5,061.80	12,771.15	17,832.95
01/01/2022			4,840.16	4,840.16	
07/01/2022	8,152.64	5.750%	4,840.16	12,992.80	17,832.96
01/01/2023			4,605.77	4,605.77	
07/01/2023	8,621.42	5.750%	4,605.77	13,227.19	17,832.96
01/01/2024			4,357.91	4,357.91	
07/01/2024	9,117.15	5.750%	4,357.91	13,475.06	17,832.97
01/01/2025			4,095.79	4,095.79	
07/01/2025	9,641.38	5.750%	4,095.79	13,737.17	17,832.96
01/01/2026			3,818.60	3,818.60	
07/01/2026	10,195.76	5.750%	3,818.60	14,014.36	17,832.96
01/01/2027			3,525.47	3,525.47	
07/01/2027	10,782.02	5.750%	3,525.47	14,307.49	17,832.96
01/01/2028			3,215.49	3,215.49	
07/01/2028	11,401.99	5.750%	3,215.49	14,617.48	17,832.97
01/01/2029			2,887.68	2,887.68	
07/01/2029	12,057.60	5.750%	2,887.68	14,945.28	17,832.96
01/01/2030			2,541.02	2,541.02	
07/01/2030	12,750.91	5.750%	2,541.02	15,291.93	17,832.95
01/01/2031			2,174.44	2,174.44	
07/01/2031	13,484.09	5.750%	2,174.44	15,658.53	17,832.97
01/01/2032			1,786.77	1,786.77	
07/01/2032	14,259.42	5.750%	1,786.77	16,046.19	17,832.96
01/01/2033			1,376.81	1,376.81	
07/01/2033	15,079.34	5.750%	1,376.81	16,456.15	17,832.96
01/01/2034			943.28	943.28	
07/01/2034	15,946.40	5.750%	943.28	16,889.68	17,832.96
01/01/2035			484.82	484.82	
07/01/2035	16,863.30	5.750%	484.82	17,348.12	17,832.94
	200,000.00		138,826.23	338,826.23	338,826.23

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)

▶ See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name Festival Ranch Community Facilities District City of Buckeye, Arizona		2 Issuer's employer identification number (EIN) 35 2264191	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) James T. Giel		3b Telephone number of other person shown on 3a 602-257-7495	
4 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	5 Report number (For IRS Use Only)	
One East Washington Street	1600	3 1 2	
6 City, town, or post office, state, and ZIP code Phoenix, Arizona 85004-2553		7 Date of issue 03/24/16	
8 Name of issue Assessment District No. 10 Special Assessment Revenue Bonds, Series 2016		9 CUSIP number 315599 CD0	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Larry D. Price, Treasurer		10b Telephone number of officer or other employee shown on 10a 623-349-6164	

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11 Education	11		
12 Health and hospital	12		
13 Transportation	13	200,000	00
14 Public safety	14		
15 Environment (including sewage bonds)	15		
16 Housing	16		
17 Utilities	17		
18 Other. Describe ▶	18		
19 If obligations are TANs or RANs, check only box 19a			<input type="checkbox"/>
If obligations are BANs, check only box 19b			<input type="checkbox"/>
20 If obligations are in the form of a lease or installment sale, check box			<input type="checkbox"/>

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	07/01/2035	\$ 200,000	\$ 200,000	12.249 years	5.7460 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

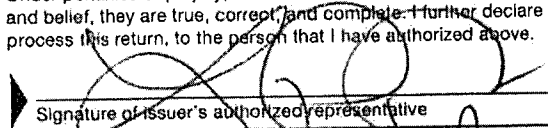
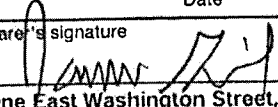
22 Proceeds used for accrued interest	22		00
23 Issue price of entire issue (enter amount from line 21, column (b))	23	200,000	00
24 Proceeds used for bond issuance costs (including underwriters' discount)	24		
25 Proceeds used for credit enhancement	25		
26 Proceeds allocated to reasonably required reserve or replacement fund	26	18,126	00
27 Proceeds used to currently refund prior issues	27		
28 Proceeds used to advance refund prior issues	28		
29 Total (add lines 24 through 28)	29	18,126	00
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	181,874	00

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the bonds to be currently refunded	n/a	years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	n/a	years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)		
34 Enter the date(s) the refunded bonds were issued ▶ (MM/DD/YYYY)		

Part VI Miscellaneous

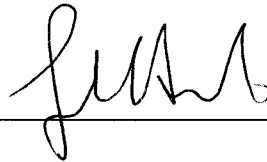
- | | | |
|------------|--|--|
| 35 | | |
| 36a | | |
| 37 | | |
- 35** Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)
- 36a** Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)
- b** Enter the final maturity date of the GIC ▶ _____
- c** Enter the name of the GIC provider ▶ _____
- 37** Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units
- 38a** If this issue is a loan made from the proceeds of another tax-exempt issue, check box and enter the following information:
- b** Enter the date of the master pool obligation ▶ _____
- c** Enter the EIN of the issuer of the master pool obligation ▶ _____
- d** Enter the name of the issuer of the master pool obligation ▶ _____
- 39** If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box
- 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box
- 41a** If the issuer has identified a hedge, check here and enter the following information:
- b** Name of hedge provider ▶ _____
- c** Type of hedge ▶ _____
- d** Term of hedge ▶ _____
- 42** If the issuer has superintegrated the hedge, check box
- 43** If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box
- 44** If the issuer has established written procedures to monitor the requirements of section 148, check box
- 45a** If some portion of the proceeds was used to reimburse expenditures, check here and enter the amount of reimbursement ▶ _____
- b** Enter the date the official intent was adopted ▶ _____

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the Issuer's return information, as necessary to process this return, to the person that I have authorized above.				
	 Signature of issuer's authorized representative	3-24-16 Date	Larry D. Price, Treasurer Type or print name and title		
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	James T. Giel		3-24-16		P01085621
	Firm's name ▶ Gust Rosenfeld P.L.C., One East Washington Street, Suite 1600	Firm's EIN ▶ 86-0688020		Phone no. 602-257-7495	
Firm's address ▶ Phoenix, Arizona 85004-2553					

\$200,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 10
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2016

CERTIFICATE OF MAILING

I hereby certify and declare that I hand-delivered the Report of Bond and Security Issuance for the above-captioned financing, addressed to the Arizona State Treasurer's Office, Office of Project and Research, 1700 W. Washington Street, Phoenix, AZ 85007, on April 18, 2016.



Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)
 ► See separate instructions.

OMB No. 1545-0720

Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>
1 Issuer's name Festival Ranch Community Facilities District City of Buckeye, Arizona)		2 Issuer's employer identification number (EIN) 35 2264191
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) James T. Giel		3b Telephone number of other person shown on 3a 602-257-7495
4 Number and street (or P.O. box if mail is not delivered to street address) One East Washington Street	Room/suite 1600	5 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code Phoenix, Arizona 85004-2553		7 Date of issue 03/24/16
8 Name of issue Assessment District No. 10 Special Assessment Revenue Bonds, Series 2016		9 CUSIP number 315599 CD0
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Larry D. Price, Treasurer		10b Telephone number of officer or other employee shown on 10a 623-349-6164

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.			
11 Education	11		
12 Health and hospital	12		
13 Transportation	13	200,000	00
14 Public safety	14		
15 Environment (including sewage bonds)	15		
16 Housing	16		
17 Utilities	17		
18 Other. Describe ►	18		
19 If obligations are TANs or RANs, check only box 19a		<input type="checkbox"/>	
If obligations are BANs, check only box 19b		<input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box		<input type="checkbox"/>	

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.					
	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	07/01/2035	\$ 200,000	\$ 200,000	12.249 years	5.7460 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)					
22	Proceeds used for accrued interest				00
23	Issue price of entire issue (enter amount from line 21, column (b))				200,000 00
24	Proceeds used for bond issuance costs (including underwriters' discount)				
25	Proceeds used for credit enhancement				
26	Proceeds allocated to reasonably required reserve or replacement fund				18,126 00
27	Proceeds used to currently refund prior issues				
28	Proceeds used to advance refund prior issues				
29	Total (add lines 24 through 28)				18,126 00
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)				181,874 00

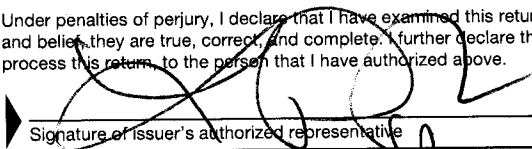
Part V Description of Refunded Bonds. Complete this part only for refunding bonds.		
31	Enter the remaining weighted average maturity of the bonds to be currently refunded	n/a years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded	n/a years
33	Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	
34	Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)	

Part VI Miscellaneous

- | | | |
|------------|--|--|
| 35 | | |
| 36a | | |
| 37 | | |
- 35** Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)
 - 36a** Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)
 - b** Enter the final maturity date of the GIC ▶ _____
 - c** Enter the name of the GIC provider ▶ _____
 - 37** Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units
 - 38a** If this issue is a loan made from the proceeds of another tax-exempt issue, check box and enter the following information:
 - b** Enter the date of the master pool obligation ▶ _____
 - c** Enter the EIN of the issuer of the master pool obligation ▶ _____
 - d** Enter the name of the issuer of the master pool obligation ▶ _____
 - 39** If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box
 - 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box
 - 41a** If the issuer has identified a hedge, check here and enter the following information:
 - b** Name of hedge provider ▶ _____
 - c** Type of hedge ▶ _____
 - d** Term of hedge ▶ _____
 - 42** If the issuer has superintegrated the hedge, check box
 - 43** If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box
 - 44** If the issuer has established written procedures to monitor the requirements of section 148, check box
 - 45a** If some portion of the proceeds was used to reimburse expenditures, check here and enter the amount of reimbursement ▶ _____
 - b** Enter the date the official intent was adopted ▶ _____

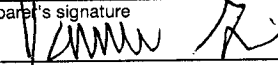
Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.


3-24-16
Larry D. Price, Treasurer

Signature of issuer's authorized representative Date Type or print name and title

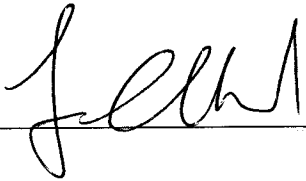
Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
James T. Giel		3-24-16		P01085621
Firm's name ▶ Gust Rosenfeld P.L.C., One East Washington Street, Suite 1600			Firm's EIN ▶ 86-0688020	
Firm's address ▶ Phoenix, Arizona 85004-2553			Phone no. 602-257-7495	

\$200,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 10
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2016

CERTIFICATE OF MAILING

I hereby certify and declare that I deposited in the United States mail, postage prepaid, certified mail, return receipt requested, the Information Return for the above-captioned financing addressed to the Internal Revenue Service Center, Ogden, Utah 84201, on April 18, 2016.



**GUST
ROSENFELD**
ATTORNEYS SINCE 1921 P.L.C.

■ ONE E. WASHINGTON, SUITE 1600 ■ PHOENIX, ARIZONA 85004-2553 ■ TELEPHONE 602-257-7422 ■ FACSIMILE 602-254-4878 ■

JAMES T. GIEL
602.257.7495
FAX: 602.340.1538
jgiel@gustlaw.com

March 24, 2016

District Board
Festival Ranch Community Facilities District
(City of Buckeye, Arizona)

Re: Festival Ranch Community Facilities District (City of Buckeye,
Arizona) Assessment District No. 10, Special Assessment Revenue
Bonds, Series 2016

Honorable Board:

At your request we have examined the official proceedings leading to the issuance of \$200,000 aggregate principal amount of Festival Ranch Community Facilities District (City of Buckeye, Arizona) Assessment District No. 10, Special Assessment Revenue Bonds, Series 2016 (the "*Bonds*"), dated the date hereof, issued by Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "*District*") initiated under Resolution of Intention No. 15-15.

We have examined the law and such documents and matters as we have deemed necessary to render this opinion including, without limitation, Resolution No. 02-16, passed and adopted by the District Board on February 2, 2016 (the "*Resolution*"). As to questions of fact material to our opinion we have relied upon, and assumed due and continuing compliance with the provisions of, the proceedings and other documents, and have relied upon certifications, covenants and representations furnished to us without undertaking to verify the same by independent investigation, including, without limitation, those with respect to causing interest on the Bonds to be and remain excluded from gross income for federal income tax purposes.

Based upon the foregoing, we are of the opinion, as of this date, which is the date of initial delivery of the Bonds against payment therefor, that:

1. The District is duly created and validly existing as a community facilities district and political subdivision of the State of Arizona with power to pass and adopt the Resolution, perform the agreements on its part contained therein and issue the Bonds.
2. The Resolution has been duly passed and adopted by the District Board and is valid and binding upon and enforceable against the District.

3. The Bonds and the proceedings leading to and including the issuance thereof are legal and constitute a valid obligation payable by the District from the Bond Fund provided for that purpose.

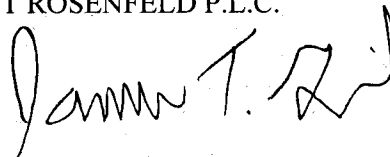
4. The Bonds are payable at the office of the Paying Agent, Zions Bank, a division of ZB, National Association. The Bonds are payable solely from the funds established pursuant to the Resolution and from payments of the unpaid assessments upon the real property within the boundaries of the District assessed for the improvement which have been validly levied, which assessments may be subject to reduction to the extent the improvement is not completed and the land assessed does not receive benefits commensurate with the amount assessed.

5. Under existing laws, regulations, rulings and judicial decisions, the interest income on the Bonds is excluded from gross income for the purpose of calculating federal income taxes and is exempt from Arizona income taxes. Interest income on the Bonds is not an item of tax preference to be included in computing the alternative minimum tax of individuals or corporations; however, such interest income must be taken into account for federal income tax purposes as an adjustment to alternative minimum taxable income for certain corporations, which income is subject to federal alternative minimum tax. The Bonds are not private activity bonds within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "Code"). We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

The Code imposes various restrictions, conditions and requirements relating to the continued exclusion of interest income on the Bonds from gross income for federal income tax purposes, including a requirement that the District rebate to the federal government certain of the investment earnings with respect to the Bonds. Failure to comply with such restrictions, conditions and requirements could result in the interest income on the Bonds being included as gross income for federal income tax purposes from their date of issuance. The District has covenanted to comply with the restrictions, conditions and requirements of the Code necessary to preserve the tax-exempt status of the Bonds. For purposes of this opinion we have assumed continuing compliance by the District with such restrictions, conditions and requirements.

The rights of the owners of the Bonds and the enforceability of those rights and the rights and obligations of the District with respect to the Resolution and to collection of assessments may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and the enforcement of those rights may be subject to the exercise of judicial discretion in accordance with general principles of equity.

GUST ROSENFELD P.L.C.

By 
James T. Giel
Bond Counsel

**BERENS, KOZUB,
KLOBERDANZ & BLONSTEIN, PLC**

Attorneys at Law

7047 East Greenway Parkway, Suite 140 · Scottsdale, Arizona 85254
Telephone (480) 624-2777 · Facsimile (480) 607-2215 Email: mberens@bkl-az.com

Matthew R. Berens

March 24, 2016

Via Hand Delivery

Stifel Nicolaus & Company, Incorporated
2325 E. Camelback Road, Suite 750
Phoenix, AZ 85016

Via Hand Delivery

District Board
Festival Ranch Community Facilities District
(Town of Buckeye, Arizona)
c/o Town of Buckeye, Arizona
Attention District Manager
530 E. Monroe Avenue
Buckeye, AZ 85326

RE: \$200,000 Festival Ranch Community Facilities District (Town of Buckeye, Arizona) (the "District") Assessment District No. 10 Special Assessment Revenue Bonds, Series 2016 (the "Bonds")

Ladies and Gentlemen:

We have acted as counsel to Pulte Home Corporation, a corporation organized and existing pursuant to the laws of the State of Michigan and doing business in the State of Arizona (the "Owner"), particularly in connection with the transactions provided for by the documents referred to herein and in connection with the issuance and sale of the Bonds. Any capitalized terms used in and not defined in this letter will have the meanings assigned to them from Resolution No. 01-16 of the Festival Ranch Community Facilities District (Town of Buckeye, Arizona) (the "*District*") adopted on February 2, 2016.

Examination. As such counsel, we have made such examinations and inquiries as we have deemed necessary as a basis for this opinion, including examination of the forms of the following documents:

1. The following documents pertaining to the transaction:
 - a. Development, Financing Participation and Intergovernmental Agreement dated as of April 21, 2005 and recorded in Maricopa County, Arizona on April 22, 2005 at Document No. 2005-1333865 (the "Development Agreement").
 - b. Waiver and Development Agreement recorded in Maricopa County, Arizona on January 22, 2016 at Document No. 2016-0043977 (the "Waiver Agreement").
 - c. Owner Indemnity Letter, executed as of March 24, 2016 (the "Owner Indemnity").
 - d. Closing Certificate of Owner, executed as of March 24, 2016 (the "Closing Certificate").

The Waiver Agreement, the Indemnity Letter and the Closing Certificate are collectively referred to as the "Transaction Documents".

2. The following organizational documents pertaining to Owner (collectively, the "Organizational Documents"):
 - a. Articles of Incorporation of the Owner, a Michigan corporation, as amended.
 - b. By-Laws of the Owner, as amended.
 - c. Certificate of Good Standing of the Owner, dated March 15, 2016, issued by the Corporation Division of the Michigan Department of Labor and Economic Growth.
 - d. Certificate of Good Standing of the Owner, dated March 14, 2016, issued by the Arizona Corporation Commission.

We have also examined such certificates of public officials, certificates of representatives of the Owner and such other documents as we have deemed relevant and necessary as a basis for the opinions set forth below. We have relied upon certificates of public officials and of the Owner with respect to the accuracy of material or factual matters contained in such certificates, which were not independently established.

Assumptions. In rendering this opinion, we have assumed that:

1. (a) Each of the other parties to the Transaction Documents (the "Other Parties") is duly formed and validly existing; (b) the execution, delivery and performance of the applicable Transaction Documents by each of the Other Parties has been duly authorized by all corporate or limited liability company action required of such Other Party; (c) each of the Other Parties has obtained all necessary governmental consents, authorizations, approvals, permits or certificates that are required as a condition to the execution and delivery of the Transaction Documents by such Other Party and to the consummation of the transactions contemplated thereby; (d) the Transaction Documents constitutes legal, valid, binding and enforceable obligations of each of the Other Parties under federal law, the laws of the State of Arizona, and the laws of any other applicable jurisdiction; (e) except for the Transaction Documents, there are no other documents or agreements between any of the Other Parties and others that would expand or otherwise modify the obligations of the parties under the Transaction Documents; (f) each of the Other Parties has the power and authority under applicable laws and regulations to enter into and perform the transactions as described in the Transaction Documents and has complied in all material respects with all applicable laws and regulations with respect thereto; and (g) each of the Other Parties will at all times during the term of the Transaction Documents act in good faith and only in a manner that under the circumstances is commercially reasonable and in accordance with applicable law.

2. The Transaction Documents accurately and completely describe and contain the parties' mutual intent, understanding and business purposes, and there are no understandings among the Other Parties or the Owner that are inconsistent with the content of the Transaction Documents, and there are no facts or events (such as fraud or duress) that have occurred in connection with the execution, acknowledgment and delivery of the Transaction Documents that would impair its enforceability.

3. No fraud, misrepresentation, unilateral mistake or concealment has occurred in connection with the Transaction Documents or any aspect of the transactions governed by the Transaction Documents.

4. The applicable Transaction Documents, immediately after delivery, will be properly filed or recorded in the appropriate governmental offices, and all necessary continuation statements will be timely filed, and all fees, charges, and taxes due and owing as of this date have been paid.

5. The parties' representations and warranties contained in the Transaction Documents are truthful and accurate.

6. All reports and other documents prepared by third party consultants relating to the transactions contemplated by the Transaction Documents or any of the property within the District are truthful and accurate.

7. Each of the Transaction Documents required to be executed, ratified, notarized, filed, recorded or indexed to be effective (and any UCC-1 or other financing statements required to perfect same) have been or will be timely and properly executed, ratified, notarized, filed, recorded or indexed in the appropriate governmental offices and the recipient will timely file any and all necessary continuation statements.

8. No interest, fees or other charges will be collected with respect to the transactions that are not clearly specified in the Transaction Documents or that are not permitted by applicable law.

9. At the time any of the Other Parties seeks to enforce its rights under the Transaction Documents, such Other Party will not be in breach thereof, those documents will still be in force, and no applicable statute of limitations will have expired.

10. Each of the Other Parties will diligently and timely pursue its rights and remedies under the Transaction Documents.

11. All consents, approvals, licenses or authorizations by, and all notifications of an filings with, any court, governmental body or other person required to be obtained or made in connection with the Transaction Documents and the transactions contemplated thereby have been so obtained or made.

12. The Owner holds the requisite title and rights to any real or personal property involved in the transactions contemplated by the Transaction Documents or otherwise purported to be owned by the owner.

13. We have assumed, without investigation, the completeness, genuineness and authenticity of any document submitted to us as an original, the conformity to the original of any document submitted to us as a copy, the authenticity of the original of such latter documents, the conformity to the executed document of any document submitted to us as the form to be executed, the genuineness of all signatures, and the legal competency and capacity of natural persons to execute and deliver all applicable documents and carry out such individual's obligations under the Transaction Documents. We have also assumed, without investigation, that any certificate, representation

(oral or otherwise), telegram, telex, telecopy, email or other documents on which we have relied, whether or not given or dated earlier than the date hereof, is authentic and remains accurate insofar as relevant to this opinion from such earlier date through and including the date hereof, and we are not aware of any facts inconsistent with this assumption.

Other Limitations: The opinions expressed in this letter are subject to the following qualifications, limitations and exceptions:

1. Our opinions are limited by the internal laws of the State of Arizona (notwithstanding Arizona choice-of-law rules) and the State of Michigan as to corporate authority and corporate existence. Accordingly, we express no opinion as to the possible impact upon the matters of the laws, orders or judgments of any jurisdiction other than the local laws of the State of Arizona (notwithstanding Arizona choice-of-law rules) and, as limited, the State of Michigan.
2. Whenever we indicate that our opinion is based on "our knowledge," or words of similar import, such opinion is based solely on the current actual knowledge of the firm's attorneys who have devoted substantive attention to matters related to the Transaction Documents. We have not made any independent investigation, verification, or review of any matters whatsoever except as specifically set forth herein, and we are relying solely on such specifically stated investigation or review.
3. We express no opinion concerning the legal validity and sufficiency of the acts of any of the Other Parties.
4. The opinions herein are based upon and limited to the laws and facts in effect on the date hereof, and we assume no obligation to update, revise or supplement the opinion should any law be changed by any legislative action, judicial decision, administrative process, or otherwise.
5. Our opinion is limited to the matters set forth herein and to the date hereof. No opinion may be inferred or implied beyond the matters expressly stated herein. Our opinion is applicable only to the addressee of this opinion and will not be applicable to any other person.
6. The enforceability of the Transaction Documents is subject to:
 - a. Bankruptcy, insolvency, fraudulent transfer, fraudulent conveyance, reorganization, arrangement, receivership, conservatorship, moratorium and other similar state and federal laws or court decisions now or hereafter affecting the enforcement of creditors' and property rights generally.

b. The general principles of equity.

c. The qualification that certain waivers, procedures, remedies, indemnities, consents to jurisdiction and other provisions of the Transaction Documents (excluding all waivers and indemnities contained in the Indemnity letter) may be unenforceable under or limited by the laws of the State of Arizona; provided, however that such possible unenforceability or limitations will not render the Transaction Documents (including, but not limited to, the Waiver Agreement and the Indemnity Letter) invalid as a whole or substantially prevent the practical realization of the principal benefits intended by the Transaction Documents (except for the economic consequences of procedural or other delay).

7. We express no opinion as to matters of title, priority, or perfection of liens or priority or perfection of security interests except as specifically set forth herein.

8. Our engagement did not extend to, and we render no opinion about, any federal or state securities laws, rules or regulations, zoning matters, or applicable building codes or ordinances, or the effect of such matters, if any, on the opinions expressed herein, including, without limitation, the compliance of the Transaction Documents or the offer and sale of the Bonds with any securities laws or regulations.

Based on and subject to the foregoing, and subject to the limitations, qualifications and assumptions set forth herein, we are of the opinion that:

1. Owner has been duly incorporated and is validly existing under the laws of the State of Michigan. The Owner is qualified to do business as a foreign corporation under the laws of the State of Arizona.

2. Owner has the requisite corporate power and authority to perform all obligations on its part under the terms of the Transaction Documents.

3. Execution, delivery and performance by Owner of the Transaction Documents has been duly authorized by all necessary corporate action on the part of Owner.

4. The Transaction Documents have been duly executed and delivered on behalf of Owner.

5. The Transaction Documents constitute the legal, valid and binding obligation of Owner and are enforceable against Owner in accordance with their respective terms, except as such

enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other laws relating to or affecting the enforcement of creditors' rights generally and subject to general principles of equity, regardless of whether such enforceability is considered in a proceeding at law or in equity.

6. The execution and delivery by Owner of the Transaction Documents, and the performance of Owner's obligations thereunder, do not violate any provisions of the Organizational Documents.

7. The execution and delivery by the Owner of the Transaction Documents and the consummation of the transactions contemplated by the Transaction Documents, to our knowledge, (i) will not cause a material breach or default under any agreement or other instrument to which the Owner is a party or by which it or its properties are bound that are material to the business operations of the Owner, or (ii) will not violate any applicable law, rule or regulation affecting the Owner which, in any of the above cases, would materially and adversely affect the business, properties, assets, liabilities or condition (financial or otherwise) of the Owner.

8. To our knowledge, Owner has obtained all material consents, approvals, authorizations and other actions by, and filings with, all federal, state, and local governmental authorities required to: (a) execute and deliver the Transaction Documents and consummate the transactions contemplated by the Transaction Documents that are applicable to the Owner; (b) carry out its business as such business is currently being conducted related to the Transaction Documents, except for such consents, approvals, authorizations and other actions or filings that the Owner would expect to obtain in the ordinary course of its business provided that no opinion is hereby expressed as to the compliance of the offer and sale of the Bonds with any securities law or regulation or any consents, approvals, authorizations or other actions or filings by the Town or the District.

9. To our knowledge, the Owner is not in violation of any provision of, or in default under, the Organizational Documents.

10. To our knowledge, and, except as described in the Owner's financial statements on file with the Securities and Exchange Commission, there are no legal or governmental actions, proceedings, inquiries or investigations pending or overtly threatened by any governmental authorities or to which the Owner is a party or of which any property of the Owner is subject, except as described in the Owner's financial statements on file with the

Stifel Nicolaus & Company, Incorporated
Festival Ranch Community Facilities District
March 24, 2016
Page 8

Securities and Exchange Commission, which, if determined adversely to the Owner would individually or in the aggregate : (a) have a material adverse effect on the financial condition or results of operations of the Owner and its affiliates considered as a whole; (b) materially and adversely affect the validity or the enforceability of the Transaction Documents; (c) otherwise materially or adversely affect the ability of the Owner to comply with its obligations under the Transaction Documents; or (d) materially and adversely affect the transactions contemplated by the Transaction Documents to be engaged by the Owner.

We are furnishing this letter of opinion to you solely for your benefit and it may be relied on by you only for the purpose contemplated by the transactions under the Transaction Documents. Our opinion is not to be reproduced or filed publicly, or used or relied on, or quoted or delivered to by any other person or entity without, in each instance, our prior written consent, nor may it be used, quoted, delivered, circulated or otherwise referred to for any other purpose.

Respectfully submitted,

BERENS, KOZUB, KLOBERDANZ &
BLONSTEIN, PLC

*Berens, Kozub, Kloberdanz &
Blonstein, PLC*

FEASIBILITY REPORT

**FOR THE ISSUANCE OF
\$200,000 PRINCIPAL AMOUNT**

OF

**FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)**

**SPECIAL ASSESSMENT DISTRICT NO. 10 [Parcel L1-2]
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2016**

December 15, 2015

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Legal Description of the Festival Ranch Community Facilities District Assessment District No. 10	A
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SECTION ONE

**INTRODUCTION; PURPOSE OF FEASIBILITY REPORT
AND GENERAL DESCRIPTION OF DISTRICT**

INTRODUCTION

This Feasibility Report (the "Report") has been prepared for presentation to the Board of Directors of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "District") in connection with the proposed issuance by the District of its Assessment District No. 10, Special Assessment Revenue Bonds, Series 2016 (the "Bonds") in an aggregate principal amount not to exceed \$200,000 pursuant to Title 48, Chapter 4, Article 6 of Arizona Revised Statutes (the "Act").

PURPOSE OF FEASIBILITY REPORT

This Report has been prepared for consideration of the feasibility and benefits of the Public Infrastructure (as defined in A.R.S. Section 48-701) to be financed by the Bonds and of the plan for financing such Public Infrastructure in accordance with the provisions of A.R.S. Section 48-715. Pursuant to A.R.S. Section 48-715, this Report includes (i) a description of the Public Infrastructure to be financed and an estimate of cost and timetable to acquire the Public Infrastructure [Section Two]; (ii) a map showing, in general, the location of the Public Infrastructure and area to be benefited by the Public Infrastructure [Section Three]; (iii) and a plan for financing the Public Infrastructure [Section Four].

This Report has been prepared for the consideration of the District Board of Directors of the District only. It is not intended or anticipated that this Report will be relied upon by other persons, including, but not limited to, purchasers of the Bonds. This Report does not attempt to address the quality of the Bonds as investments or the likelihood of repayment of the Bonds. In preparing this Report, employees of Pulte Home Corporation, Inc., a wholly owned subsidiary of Pulte Home Corporation, Inc. ("Pulte Home Corporation"), placement agent, bond counsel, financial advisor, engineers, staff of the City of Buckeye, Arizona (the "City") and other persons and experts have been consulted as deemed appropriate.

GENERAL DESCRIPTION OF DISTRICT

Formation of the District was approved by the City on April 19, 2005 upon the request of all of the landowners within the District. The District consists of approximately 4,015 acres within the approximately 10,354 acre master-planned community called Festival Ranch (the "Project"). The Project is located along the Sun Valley Parkway generally between 259th Avenue and the 291st Avenue alignments. Single-family residential units are planned for approximately 3,190 acres within the Project. As of September 30, 2015, Pulte Home Corporation has closed 2,108 residential homes at Sun City Festival (age restricted) and 489 homes at Festival Foothills (non-age restricted), for a total of 2,567 residential homes.

In addition to residential development, several community amenities are planned for construction within the District, including two golf courses and recreation centers. Currently, one 18-hole golf course is completed along with a 15,000 square foot golf clubhouse, a 30,000 square foot recreation center, an 8,000 square foot Arts and Crafts Building, a softball complex and a community park.

The real property comprising the Assessment District No. 10 consists of 100 residential lots on approximately 37.65 acres.

The total District acreage and Assessment District No. 10 acreage can be categorized as follows:

<u>Total Project</u>	<u>Approximate District Acres</u>	<u>Approximate Assessment District No. 10 Acres</u>
Single Family Residential Units	3,190	37.65
2 Golf Courses	600	
Commercial	150	
Recreation Centers	75	
Total	<u>4,015</u>	<u>37.65</u>

The District was created to finance the construction or acquisition of public infrastructure within the District, including, to finance the construction or acquisition of the Public Infrastructure. See Section Two for a description of the Public Infrastructure. The legal description of Assessment District No. 10 is included in Appendix A. A map of Assessment District No. 10 is included in Section Three. The acquisition of the Public Infrastructure as defined in this Report is consistent with the City's approved General Plan for the Project.

Pulte Home Corporation currently owns all of the property located within Assessment District No. 10.

SECTION TWO
DESCRIPTION, ESTIMATE OF COST AND TIMETABLE
FOR COMPLETION OF PUBLIC INFRASTRUCTURE

DESCRIPTION OF PUBLIC INFRASTRUCTURE

The Public Infrastructure, which has been publicly bid pursuant to State statutes, and will be financed by the proceeds of the Bonds of the District together with a contribution from Pulte Home Corporation, is outlined in the tables below. It is expected that the Public Infrastructure listed below will be acquired from Pulte Home Corporation with estimated cost and construction timing as noted.

**SUN CITY FESTIVAL
ASSESSMENT DISTRICT NO. 10
DESCRIPTION OF PUBLIC INFRASTRUCTURE**

<u>Parcel</u>	<u>No. of Lots</u>	<u>Est. Street Improvements^(a)</u>	<u>Street Names</u>	<u>Linear Feet</u>	<u>Estimated Date of Completion</u>
L1-2	100	\$561,472	266 th Lane 266 th Avenue 266 th Drive 265 th Lane Vista North Drive Cat Balue Drive Melinda Lane Firehawk Drive	4,284	Completed in December 2015 <i>(a)</i>

(a) Construction for Parcel L1-2 commenced in May 2015. Paving and Concrete are scheduled to begin in October 2015.

Listed below is an estimated draw schedule of the proceeds of the Bonds for the acquisition of the Public Infrastructure.

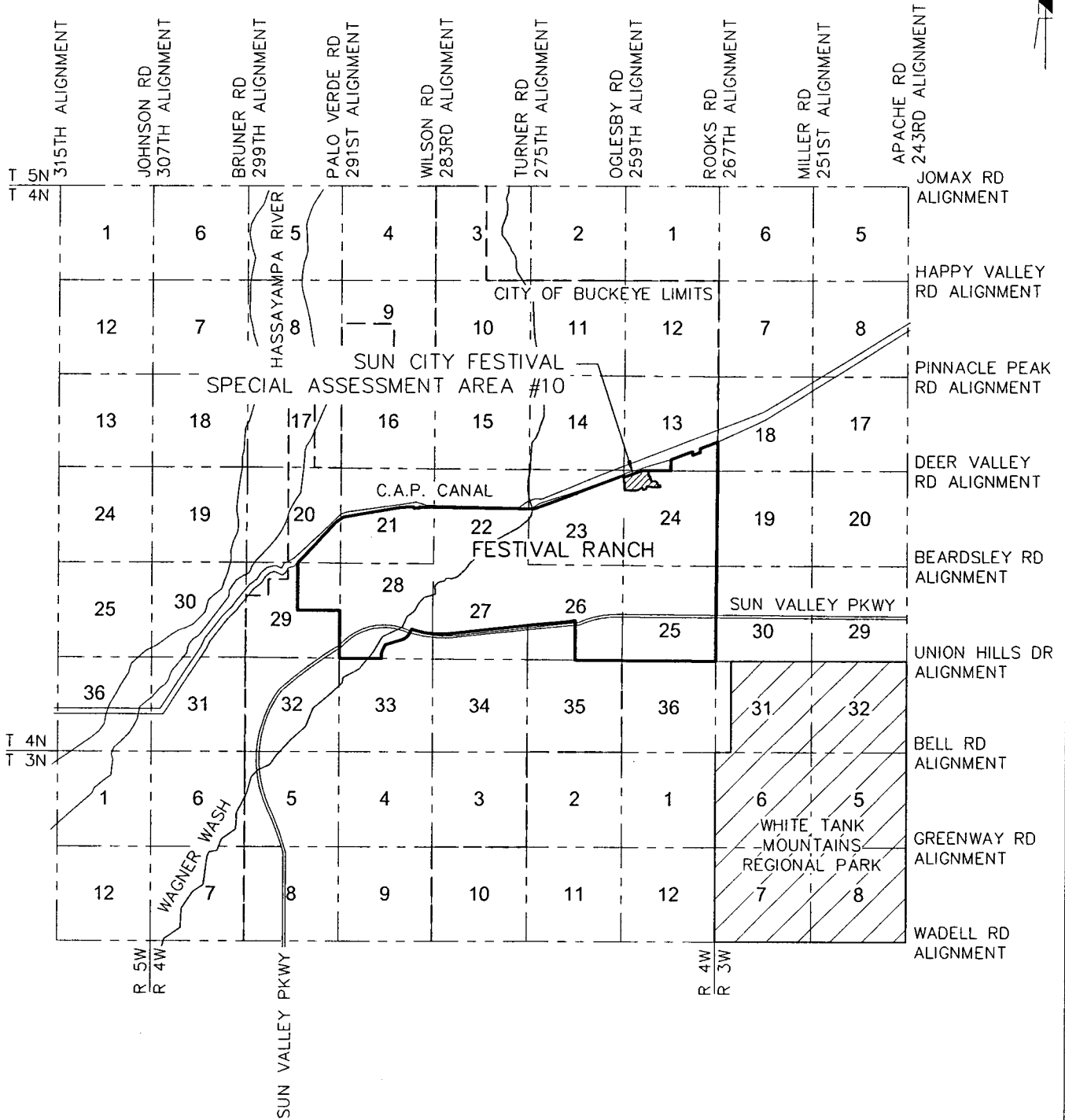
<u>Public Infrastructure Project</u>	<u>Estimated Acquisition Price</u>	<u>Difference between Contract Price and Acquisition Price Paid by Pulte</u>	<u>Completion Date</u>	<u>Funds Draw Date</u>
266 th Lane			December 2015	<i>(a)</i>
266 th Avenue				
266 th Drive				
265 th Lane				
Vista North Drive				
Cat Balue Drive				
Melinda Lane				
Firehawk Drive				
Total	<u>\$200,000</u>	<u>\$361,472</u>		

(a) Upon final completion of the Public Infrastructure (2nd Quarter 2016).

SECTION THREE

MAP OF ASSESSMENT DISTRICT NO. 10

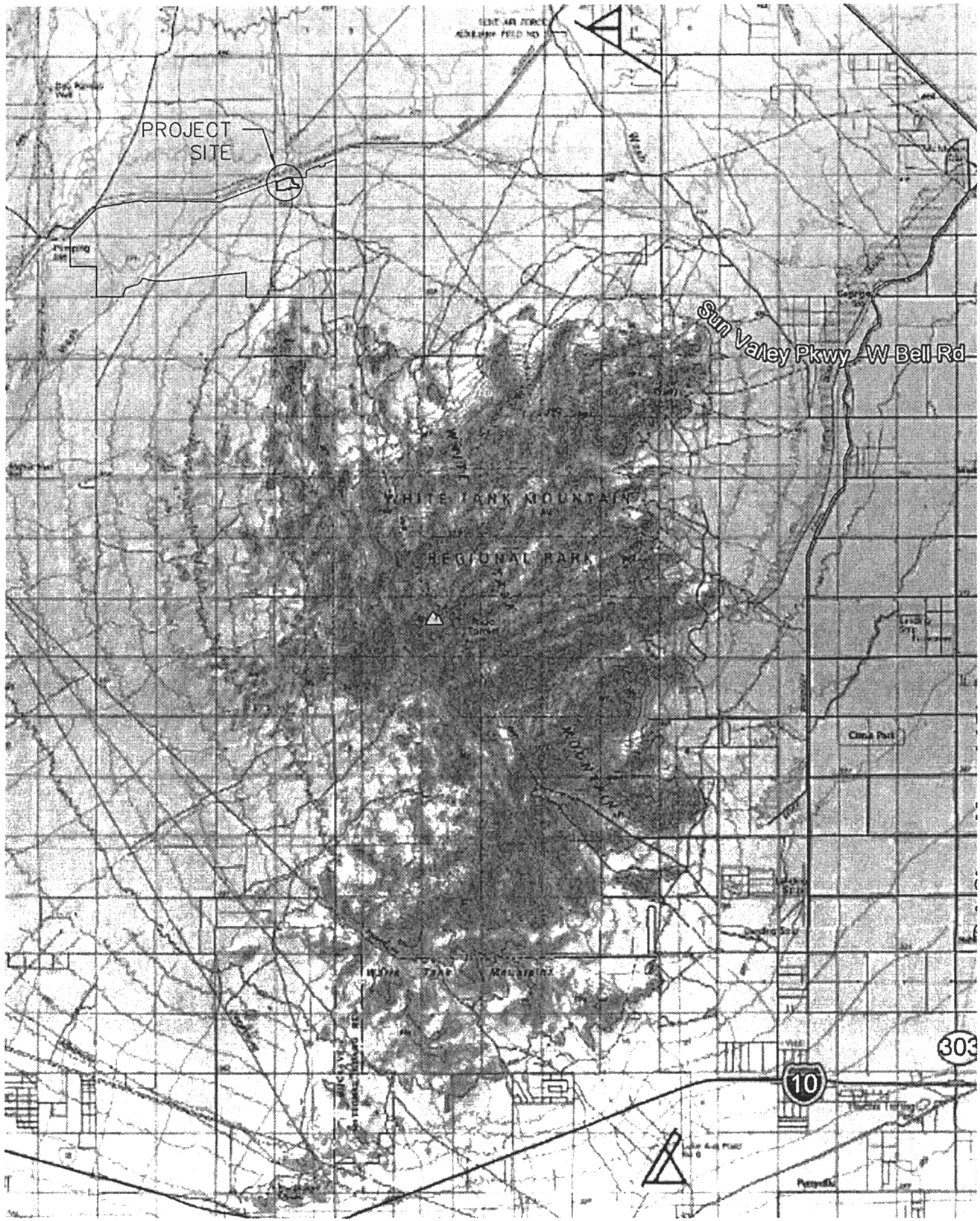
SUN CITY FESTIVAL SPECIAL ASSESSMENT AREA #10 CITY OF BUCKEYE, AZ



VICINITY MAP

FIGURE 2





VICINITY MAP

SECTION FOUR
PLAN OF FINANCE AND PRELIMINARY DEBT SERVICE
SCHEDULE (TABLE ONE)

PLAN OF FINANCE

Below is a financing plan that describes the process for financing a portion of the Public Infrastructure benefiting the property within Assessment District No. 10. This Plan of Finance is subject to modification to accommodate market conditions at the time of the actual placement of the Bonds and to the extent necessary to comply with federal and state law.

(i) **Formation and Authorization:**

In response to a petition from the owners of 100% of the property within the District, the City Council formed the District on April 19, 2005.

The District has issued seven previous special assessment revenue bond transactions for Assessment District No. 1 (Series 2005), Assessment District No. 2 and 3 (Series 2007), Assessment District No. 4 and 5 (Series 2007), Assessment District No. 6 (Series 2009), Assessment District No. 7 (Series 2011), Assessment District No. 8 (Series 2013) and Assessment District No. 9 (Series 2015).

(ii) **Proposed Debt Issuance:**

The estimated debt service schedule for the Bonds is attached in this section as Table One. Due to the small size of the issue, and to eliminate the need for certain costs such as an appraisal, official statement, and underwriter's counsel, it is anticipated that the Bonds will be privately placed through Stifel Nicolaus & Company, Incorporated and closed on or around January 18, 2016. The Bonds will be unrated and will have transfer restrictions which are consistent with prior bond issues of the District.

As of November 12th, Pulte has invested approximately \$1.2 million of public infrastructure improvements into the 100 residential lots located in Assessment District No. 10 (not including the land cost). Since additional construction is underway (pursuant to contractual obligations with a contractor), Pulte indicates a total of approximately \$2.0 million will be invested by mid-December 2015.

Based on this investment progress through mid-December, the estimated Value to Lien would approximate 10:1 (which does not include the land value of each lot). Based on information Pulte recently obtained from the Maricopa County Assessor's office, the current estimated Full Cash Value (FCV) of improved (builder ready) residential lots adjacent to Assessment District No. 10 approximate \$57,000 per lot (based on an average 7,072 square foot lot). This methodology of value would result in a Value to Lien of approximately 28:1. The City's CFD policy requires a minimum value to lien of 4:1.

(iii) Estimated Sources and Uses of Funds:

The estimated sources and uses of funds associated with the sale of the Bonds (exclusive of accrued interest and original issue discount or premium, if any), is as follows:

Sources of Funds:

Principal Amount of Bonds	\$200,000
Pulte Contribution	39,500
	<hr/>
	\$239,500

Uses of Funds:

Cost of Public Infrastructure	\$180,000
Costs of Issuance ^{(a)(b)}	32,000
Placement Agent Fee ^(b)	7,500
Debt Service Reserve Fund	20,000
	<hr/>
Total Use of Funds	\$239,500

^(a) Represents estimated costs for bond counsel, financial advisor, and the registrar and paying agent.

^(b) Pulte Home Corporation will be responsible for paying the Costs of Issuance and the Placement Agent Fee.

(iv) Use of Proceeds:

The proceeds of the Bonds will be applied by the District to finance all or a portion of the Public Infrastructure listed in Section Two of this Report.

(v) Per Lot Assessment Amount:

The per lot assessment amount is expected to be no more than \$2,000. Pulte Home Corporation currently expects that at the time of sale of the home to a buyer, this amount will be assumed by the home buyer with the assessment payments made over twenty years. Pulte Home Corporation expects home closings in Assessment District No. 10 to commence around June 1, 2016.

(vi) Homeowner's Obligation:

The \$2,000 per home assessment results in an annual assessment payment of approximately \$200.00 per home, or \$16.00 per month, which is based on a 20-year amortization with an estimated interest rate of 7.0%. The special assessment is payable at any time without premium.

(vii) Disclosure of Assessment Payments:

A.R.S. Section 32-2181 et seq. requires the disclosure of all property taxes and assessments to be paid by a home owner in Arizona Department of Real Estate Subdivision Public Report (the "Public Report"). Each home buyer must be supplied a Public Report and, prior to any home sale, the home buyer must acknowledge by signature that they have read and accepted the Public Report.

In addition, Pulte Home Corporation will require the home buyer to sign an additional form that highlights and discloses the additional assessment payments as a result of the District financing.

(viii) Operation and Maintenance Estimated Revenues and Expenditures:

All Public Infrastructure financed by the District will be dedicated to the City upon completion and acceptance. The obligations pertaining to the operation and maintenance of the Public Infrastructure have been negotiated between the City, the District and Pulte Home Corporation and are set forth in the various development agreements among the parties. The costs associated with the operation and maintenance of the Public Infrastructure, as well as the administrative costs of the District, will be provided for from several sources of funds, including the levy of the \$0.30 per \$100 of secondary assessed valuation maintenance & operation tax in the District and developer contributions.

Pursuant to the Development Agreement, the master Homeowner's Association ("HOA") is responsible for the operation and maintenance costs of landscaping for the roadways, trails, and open space within the District. Home owners within Sun City Festival (age restricted) and Festival Foothills (non-age restricted) are required to participate in an HOA. Monthly fees for the Sun City Festival HOA are anticipated to be approximately \$120.00 per home. Monthly fees for the Festival Foothills HOA are anticipated to be approximately \$ 83.00 per home.

Pursuant to the Development Agreement, Pulte Home Corporation is required to maintain and repair all infrastructure comprised of streets, parkways and alleys and all appurtenances thereto at its expense for a period of two years from the date the City accepts the infrastructure. Such maintenance shall consist of all maintenance and repair actions reasonably required by customary engineering industry standards for each item of infrastructure. During this two year period, Pulte Home Corporation estimates \$.27 per foot cost for such items as street sweeping. Using a \$2.85 foot cost for maintenance (per the City), Assessment District No. 10 annual maintenance cost approximates \$12,209.40.

TABLE ONE
\$200,000
Festival Ranch Community Facilities District
(City of Buckeye, Arizona)
Assessment District No. 10 [Parcel L1-2]
Special Assessment Revenue Bonds, Series 2016

Estimated Debt Service Schedule

Fiscal Year (July 1)	Principal	Interest ⁽¹⁾	Total Debt Service
2017		\$ 20,339	\$ 20,339
2018	\$ 5,900	14,000	19,900
2019	6,300	13,587	19,887
2020	6,700	13,146	19,846
2021	7,200	12,677	19,877
2022	7,700	12,173	19,873
2023	8,300	11,634	19,934
2024	8,800	11,053	19,853
2025	9,400	10,437	19,837
2026	10,100	9,779	19,879
2027	10,800	9,072	19,872
2028	11,600	8,316	19,916
2029	12,400	7,504	19,904
2030	13,200	6,636	19,836
2031	14,200	5,712	19,912
2032	15,200	4,718	19,918
2033	16,200	3,654	19,854
2034	17,400	2,520	19,920
2035	18,600	1,302	19,902
	<u>\$ 200,000</u>	<u>\$ 178,259</u>	<u>\$ 378,259</u>

⁽¹⁾ Interest is estimated at 7.0%. Subject to change based on market conditions and other factors at the time of pricing.

Assumes a January 18, 2016 closing with a first interest payment date of January 1, 2017.

APPENDIX A
LEGAL DESCRIPTION OF ASSESSMENT DISTRICT NO. 10

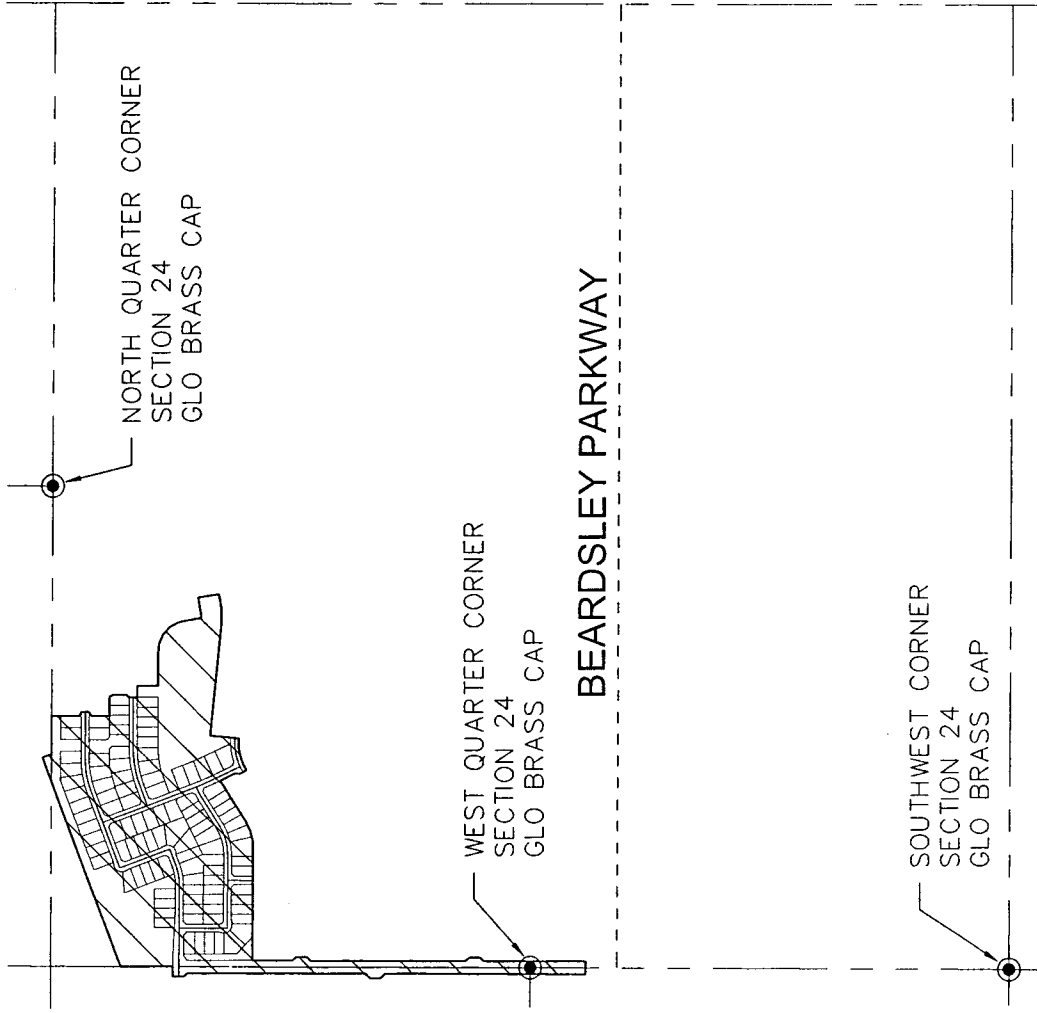
September 24, 2015

LEGAL DESCRIPTION FOR
SUN CITY FESTIVAL
SPECIAL ASSESSMENT AREA NO. 10

Lots 1 through 100, inclusive, of Sun City Festival Parcel L1-2 as recorded in Book 1231 of Maps, Page 32, Records of Maricopa County, Arizona.



SUN CITY FESTIVAL SPECIAL ASSESSMENT AREA #10



AFFIDAVIT OF PUBLICATION

BUCKEYE VALLEY NEWS, LLC.

STATE OF ARIZONA }
COUNTY OF MARICOPA } SS.

Marlene M. Turner, being first duly sworn, upon oath deposes and says: That she is a legal advertising representative of the Buckeye Valley News, LLC., a newspaper of general circulation in the county of Maricopa, State of Arizona, published in Buckeye, Arizona, and that the copy hereto attached is a true copy of the advertisement published in the said paper on the dates as indicated.

Buckeye Valley News, LLC.

PUBLIC NOTICE

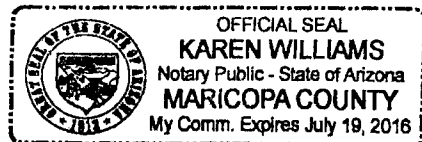
NOTICE OF PUBLIC HEARING TO THE GENERAL PUBLIC AND THE MEMBERS OF THE BOARD OF DIRECTORS OF FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA): NOTICE IS HEREBY GIVEN that the Board of Directors of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) will meet on January 19, 2016, commencing immediately following the regularly scheduled meeting of the Mayor and Council of the City of Buckeye, which meeting will begin at 6:00 p.m. and will be held in the City Council Chambers, 530 E. Monroe Avenue, Buckeye, Arizona 85326, to conduct a public hearing on, and to consider and review a feasibility report relative to the proposed project to be financed by the issuance of special assessment revenue bonds of Festival Ranch Community Facilities District Assessment District No. 10. A copy of the feasibility report may be reviewed at the office of the District Clerk, 530 E. Monroe Avenue, Buckeye, Arizona 85326.

Publication Date:
January 7, 2016

Marlene M. Turner
Authorized Representative of
Buckeye Valley News, LLC.

Subscribed and sworn to before me this
7th day of
January, 2016

Karen Williams
Notary Public



PUBLIC NOTICE
NOTICE OF PUBLIC HEARING

TO THE GENERAL PUBLIC AND THE MEMBERS OF THE BOARD OF DIRECTORS OF FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA):

NOTICE IS HEREBY GIVEN that the Board of Directors of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) will meet on January 19, 2016, commencing immediately following the regularly scheduled meeting of the Mayor and Council of the City of Buckeye, which meeting will begin at 6:00 p.m. and will be held in the City Council Chambers, 530 E. Monroe Avenue, Buckeye, Arizona 85326, to conduct a public hearing on, and to consider and review a feasibility report relative to the proposed project to be financed by the issuance of special assessment revenue bonds of Festival Ranch Community Facilities District Assessment District No. 10. A copy of the feasibility report may be reviewed at the office of the District Clerk, 530 E. Monroe Avenue, Buckeye, Arizona 85326.

*Published in the Buckeye Valley News
January 7, 2016*



PLEASE SILENCE ALL ELECTRONIC COMMUNICATION DEVICES. THANK YOU.

NOTICE OF POSSIBLE QUORUM OF THE CITY OF BUCKEYE PLANNING AND ZONING COMMISSION OR OTHER COUNCIL APPOINTED BOARD: PLEASE NOTE THAT THERE MAY BE A QUORUM PRESENT BUT THERE WILL BE NO VOTING TAKING PLACE BY THE CITY PLANNING AND ZONING COMMISSION OR OTHER COUNCIL APPOINTED BOARD AT THIS MEETING.

**JOINT MEETING OF THE
COMMUNITY FACILITIES DISTRICTS CITY OF BUCKEYE, ARIZONA
PURSUANT TO SECTIONS 48-711, 48-715 AND TITLE 38, CHAPTER 3, ARTICLE 3.1
ARIZONA REVISED STATUTES, AS AMENDED**

**ANTHEM SUN VALLEY COMMUNITY FACILITIES DISTRICT
ELIANTO COMMUNITY FACILITIES DISTRICT
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
MIRIELLE COMMUNITY FACILITIES DISTRICT
SUNDANCE COMMUNITY FACILITIES DISTRICT
TARTESSO WEST COMMUNITY FACILITIES DISTRICT
TRILLIUM COMMUNITY FACILITIES DISTRICT
VERRADO DISTRICT 1 COMMUNITY FACILITIES DISTRICT
VERRADO WESTERN OVERLAY COMMUNITY FACILITIES DISTRICT
WATSON ROAD COMMUNITY FACILITIES DISTRICT
WESTPARK COMMUNITY FACILITIES DISTRICT**

**JANUARY 19, 2016
AGENDA**

**City Council Chambers
530 E. Monroe Avenue
Buckeye, AZ 85326
Immediately following the 6:00 p.m. Regular Council Meeting**

1. Call to Order/Roll Call

Board Action: None.

2. Board to Approve the December 15, 2015 Joint Meeting Minutes for the following Community Facilities Districts:

Anthem Sun Valley
Elianto
Festival Ranch
Mirielle
Sundance
Tartesso West
Trillium
Verrado District 1
Verrado Western Overlay
Watson Road
Westpark

Board Action: Motion to approve.

3. Board to Approve/Ratify Expenditures for the 2nd Quarter of Fiscal Year 2015-2016 for the following Community Facilities Districts:

Anthem Sun Valley
Elianto
Festival Ranch
Mirielle
Sundance
Tartesso West
Trillium
Verrado District 1
Verrado Western Overlay
Watson Road
Westpark

Board Action: Motion to approve.

4. **Public Hearing and Action Resolution No. 15-15 Board of Directors of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) Approving the Feasibility Report relating to the Acquisition and Financing of Certain Improvements Benefitting the District; Declaring its Intention to Acquire Certain Improvements Described in the Feasibility Report; Forming a Special Assessment District No. 10; Determining that Special Assessment Revenue Bonds will be Used to Finance the Costs and Expenses Thereof and Declaring the Improvements to be of More Than Local or Ordinary Public Benefit and that the Costs of said Improvements will be Assessed Upon the Assessment District; Providing that the Proposed Improvements will be Performed and District Special Assessment Revenue Bonds Issued Under the Provisions of Title 48, Chapter 4, Article 6, Arizona Revised Statutes, and All Amendments Thereto (Tabled from the December 15, 2015 Joint CFD Meeting)**

Board to:

1. Open a Public Hearing as the Board of Directors to hear citizen input approving a feasibility report; declaring its intention to acquire improvements and form a special assessment district; determining that special assessment revenue bonds will be issued and that the costs of said improvements will be assessed upon the assessment district.
2. Receive Staff Report.
3. Receive Public Comment.
4. Close Public Hearing.
5. Adopt Resolution No. 15-15 (Festival Ranch) approving the feasibility report; declaring its intention to acquire improvements and form a special assessment district; determining that special assessment revenue bonds will be issued and that the costs of said improvements will be assessed upon the assessment district.

Board Action: Public Hearing and motion to approve.

5. **Action Resolution No. 16-15 Board of Directors of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) Ordering the Public Infrastructure Project Performed as Described in Resolution No. 15-15 (Tabled from the December 15, 2015 Joint CFD Meeting)**

Board to adopt Resolution No. 16-15 (Festival Ranch) ordering the public infrastructure project performed as described in Resolution No. 15-15.

Board Action: Motion to approve.

6. **Action Resolution No. 17-15 Board of Directors of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) Approving the Levying of an Assessment Diagram for the Festival Ranch Community Facilities District Assessment District No. 10** *(Tabled from the December 15, 2015 Joint CFD Meeting)*

Board to adopt Resolution No. 17-15 (Festival Ranch) approving the levying of an assessment diagram for the Festival Ranch Community Facilities District Assessment District No. 10.

Board Action: Motion to approve.

7. **Citizen Input/Apearances from the Floor**

Board Action: None.

8. **Adjournment**

Board Action: Motion to adjourn.



**JOINT MEETING OF THE
COMMUNITY FACILITIES DISTRICTS CITY OF BUCKEYE, ARIZONA
PURSUANT TO SECTIONS 48-711, 48-715 AND TITLE 38, CHAPTER 3, ARTICLE 3.1
ARIZONA REVISED STATUTES, AS AMENDED**

**ANTHEM SUN VALLEY COMMUNITY FACILITIES DISTRICT
ELIANTO COMMUNITY FACILITIES DISTRICT
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
MIRIELLE COMMUNITY FACILITIES DISTRICT
SUNDANCE COMMUNITY FACILITIES DISTRICT
TARTESSO WEST COMMUNITY FACILITIES DISTRICT
TRILLIUM COMMUNITY FACILITIES DISTRICT
VERRADO DISTRICT 1 COMMUNITY FACILITIES DISTRICT
VERRADO WESTERN OVERLAY COMMUNITY FACILITIES DISTRICT
WATSON ROAD COMMUNITY FACILITIES DISTRICT
WESTPARK COMMUNITY FACILITIES DISTRICT**

**JANUARY 19, 2016
MINUTES**

**City Council Chambers
530 E. Monroe Avenue
Buckeye, AZ 85326
Immediately following the 6:00 p.m. Regular Council Meeting**

1. Call to Order/Roll Call

Vice Chair Hess called the meeting to order at 6:27 p.m.

Members Present: Board Member Garza (via telephone), Board Member Strauss (via telephone), Board Member Orsborn, Board Member McAchran, Board Member Heustis, and Vice Chair Hess.

Members Absent: Chairman Meck.

Departments Present: District Manager Stephen Cleveland, Assistant District Manager Roger Klingler, District Attorney Scott Ruby, District Clerk Lucinda Aja, Deputy District Clerk Summer Stewart, Assistant to Board Carol Conley, Public Works Director Scott Lowe, Finance Director Larry Price, and Information Technology Director Greg Platacz.

2. Board to Approve the December 15, 2015 Joint Meeting Minutes

A motion was made by Board Member Orsborn and seconded by Board Member McAchran to approve the December 15, 2015 Joint Meeting Minutes for the following Community Facilities Districts:

Anthem Sun Valley
Elianto
Festival Ranch
Mirielle
Sundance
Tartesso West
Trillium
Verrado District 1
Verrado Western Overlay
Watson Road
Westpark

Motion passed unanimously.

3. Board to Approve/Ratify Expenditures for the 2nd Quarter of Fiscal Year 2015-2016

A motion was made by Board Member Orsborn and seconded by Board Member McAchran to approve/ratify expenditures for the 2nd Quarter of Fiscal Year 2015-2016 for the following Community Facilities Districts:

Anthem Sun Valley
Elianto
Festival Ranch
Mirielle
Sundance
Tartesso West
Trillium
Verrado District 1
Verrado Western Overlay
Watson Road
Westpark

Motion passed unanimously.

4. Public Hearing and Action Resolution No. 15-15 Board of Directors of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) Approving the Feasibility Report relating to the Acquisition and Financing of Certain Improvements Benefitting the District; Declaring its Intention to Acquire Certain Improvements Described in the Feasibility Report; Forming a Special Assessment District No. 10; Determining that Special Assessment Revenue Bonds will be Used to Finance the Costs and Expenses Thereof and Declaring the Improvements to be of More Than Local or Ordinary Public Benefit and that the Costs of said Improvements will be Assessed Upon the Assessment District; Providing that the Proposed Improvements will be Performed and District Special Assessment Revenue Bonds Issued Under the Provisions of Title 48, Chapter 4, Article 6, Arizona Revised Statutes, and All Amendments Thereto (Tabled from the December 15, 2015 Joint CFD Meeting)

Vice Chair Hess opened the Public Hearing at 6:29 p.m. to hear citizen input regarding Resolution No. 15-15 approving the feasibility report; declaring its intention to acquire improvements and form a special assessment district; determining that special assessment revenue bonds will be issued and that the costs of said improvements will be assessed upon the assessment district. Mr. Price provided a staff report. Woody Scoutten, District Engineer, was available for questions. There being no public comment, the Public Hearing was closed at 6:32 p.m. A motion was made by Board Member Orsborn and seconded by Board Member McAchran to adopt Resolution No. 15-15 (Festival Ranch) approving the feasibility

report; declaring its intention to acquire improvements and form a special assessment district; determining that special assessment revenue bonds will be issued and that the costs of said improvements will be assessed upon the assessment district. Motion passed unanimously.

5. Action Resolution No. 16-15 Board of Directors of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) Ordering the Public Infrastructure Project Performed as Described in Resolution No. 15-15 (Tabled from the December 15, 2015 Joint CFD Meeting)

A motion was made by Board Member Orsborn and seconded by Board Member Heustis to adopt Resolution No. 16-15 (Festival Ranch) ordering the public infrastructure project performed as described in Resolution No. 15-15. Motion passed unanimously.

6. Action Resolution No. 17-15 Board of Directors of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) Approving the Levying of an Assessment Diagram for the Festival Ranch Community Facilities District Assessment District No. 10 (Tabled from the December 15, 2015 Joint CFD Meeting)

A motion was made by Board Member Orsborn and seconded by Board Member McAchran to adopt Resolution No. 17-15 (Festival Ranch) approving the levying of an assessment diagram for the Festival Ranch Community Facilities District Assessment District No. 10. Motion passed unanimously.

7. Citizen Input/Appearances from the Floor – None.

8. Adjournment

A motion was made by Board Member Orsborn and seconded by Board Member McAchran to adjourn the meeting at 6:34 p.m. Motion passed unanimously.

Jackie A. Meck, Chairman

ATTEST:

Lucinda J. Aja, District Clerk

I hereby certify that the foregoing minutes are a true and correct copy of the Joint Community Facilities District Meeting held on the 19th day of January, 2016. I further certify that a quorum was present.

Lucinda J. Aja, District Clerk

RESOLUTION NO. 15-15 (Festival Ranch)

RESOLUTION OF THE BOARD OF DIRECTORS OF THE FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA) APPROVING THE FEASIBILITY REPORT RELATING TO THE ACQUISITION AND FINANCING OF CERTAIN IMPROVEMENTS BENEFITTING THE DISTRICT; DECLARING ITS INTENTION TO ACQUIRE CERTAIN IMPROVEMENTS DESCRIBED IN THE FEASIBILITY REPORT; FORMING A SPECIAL ASSESSMENT DISTRICT NO. 10; DETERMINING THAT SPECIAL ASSESSMENT REVENUE BONDS WILL BE ISSUED TO FINANCE THE COSTS AND EXPENSES THEREOF AND DECLARING THE IMPROVEMENTS TO BE OF MORE THAN LOCAL OR ORDINARY PUBLIC BENEFIT AND THAT THE COSTS OF SAID IMPROVEMENTS WILL BE ASSESSED UPON THE ASSESSMENT DISTRICT; PROVIDING THAT THE PROPOSED IMPROVEMENTS WILL BE PERFORMED AND DISTRICT SPECIAL ASSESSMENT REVENUE BONDS ISSUED UNDER THE PROVISIONS OF TITLE 48, CHAPTER 4, ARTICLE 6, ARIZONA REVISED STATUTES, AND ALL AMENDMENTS THERETO.

WHEREAS, pursuant to Arizona Revised Statutes ("A.R.S.") Section 48-715, as amended, the Board of Directors of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "*District*") has caused a report of the feasibility and benefits of the Project (as such term and all other initially capitalized terms are defined hereinafter) to be prepared, relating to certain public infrastructure provided for in the General Plan of the District and to be financed with the proceeds of the sale of special assessment revenue bonds of the District to be prepared (the "*Report*"), which Report includes, among other things, a description of certain public infrastructure to be acquired and all other information useful to understand the Project, an estimate of the cost to acquire, operate and maintain the Project, an estimated schedule for completion of the Project, a map or description of the area to be benefited by the Project and a plan for financing the Project, a copy of which is on file with Clerk of the District; and

WHEREAS, pursuant to A.R.S. Section 48-715, as amended, a public hearing on the Report was held on the date hereof, after provision for publication of notice thereof as provided by law;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA) that:

Section 1. Definitions. In this resolution, the following terms shall have the following meanings:

"*Act*" shall mean Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended.

"*Assessment District*" shall mean the real property contained within the boundaries described in Exhibit A attached hereto. For a more general description, reference is hereby made

to the Assessment District Map attached to this resolution as Exhibit B, which map is on file with the Superintendent of Streets and the Clerk.

"*Assessment District Map*" shall mean the map showing the Assessment District and attached hereto as Exhibit B.

"*Board*" shall mean the Board of Directors of the District.

"*Bond Counsel*" shall mean Gust Rosenfeld P.L.C. and any successor thereto.

"*Bonds*" shall mean the District's Assessment District No. 10 Special Assessment Revenue Bonds, Series 2016.

"*Clerk*" shall mean the Clerk of the District.

"*Debt Service Reserve Fund*" shall mean the debt service reserve fund funded with the proceeds from the sale of the Bonds, authorized pursuant to the Act.

"*Development Agreement*" shall mean the Development, Financing Participation and Intergovernmental Agreement No. 1 (Festival Ranch Community Facilities District) dated as of April 21, 2005, by and among the City of Buckeye, Arizona, the District, 10,000 West, LLC and Pulte Home Corporation; recorded April 22, 2005 at docket number 2005-0523800 in the office of the Maricopa County Recorder.

"*District*" shall mean the Festival Ranch Community Facilities District (City of Buckeye, Arizona).

"*District Engineer*" shall mean such engineer or firm of engineers as appointed by the District Manager.

"*Estimate*" shall mean the estimate of costs and expenses of the Project described in the Report and this resolution, showing the estimated costs and expenses of acquisition of the Project to be not less than \$180,000, together with estimated Incidental Expenses (\$39,500) payable by Pulte Home Corporation, and a Debt Service Reserve Fund (\$20,000) for a total cost not to exceed \$239,500, all as described on Exhibit C.

"*Incidental Expenses*" shall mean compensation paid to the Superintendent of Streets, District Engineer, costs of printing, advertising, posting, the expenses of making, administrating and collecting the assessments, any discount on the Bonds, any paying agent's fees, all legal, placement agent and financial advisor fees, DTC/CUSIP fees, compliance fees, all expenses and costs incurred in establishing the District, the Assessment District and incurred in connection with the drafting of the proceedings and in connection with the sale of bonds, the funding of a Debt Service Reserve Fund and all capitalized interest, if any, on the Bonds.

"*Plans*" shall mean the preliminary plans (including the conceptual plans), specifications and any other contract documents showing the location, type and character of the

Project, filed with the Clerk prior to the adoption of this resolution or the resolution ordering the performance of the Project. The term "Plans" shall include all final plans, specifications and contract documents developed in connection with the design of the Project.

"*Project*" shall mean, collectively, the acquisition of public infrastructure (as such term is defined in the Act) described in the Report including particularly, the acquisition by the District of the public infrastructure described on Exhibit D hereto.

"*Report*" shall mean the Feasibility Report dated December 15, 2015 and on file with the Clerk, prior to the date and time hereof, discussing the matters required by A.R.S. Section 48-715, as amended, as such matters relate to the Project.

"*Streets*" or "*streets to be improved*" shall mean the Project listed on Exhibit D hereto and located on the streets listed therein and such other streets and public rights-of-way as are hereafter shown on the final Plans.

"*Superintendent of Streets*" shall mean the Director of the City of Buckeye's Public Works Department or such person or firm appointed as Superintendent of Streets by the District Manager.

"*Waiver*" shall mean the Festival Ranch Community Facilities District Waiver and Development Agreement Pertaining to Assessment District No. 10, dated as of January 19, 2016, by and between the District and Pulte Home Corporation, and certain lienholders, to be recorded in the office of the Maricopa County Recorder.

Section 2. Approval of the Feasibility Report. Published notice of the public hearing on the Report has been provided by the Clerk not less than ten (10) days in advance of the date of the public hearing on the Report and such publication is hereby ratified and approved. The Clerk has provided the Report and notice of public hearing on the Report to the City of Buckeye, Arizona, not less than ten (10) days in advance of the date of the public hearing. Based on the review by the Board and the presentation of the Report at the public hearing on January 19, 2016, the Report is hereby adopted and approved in the form submitted to the Board.

Section 3. Resolution of Intent. This Board hereby identifies the public infrastructure of the Project, the areas benefited (all located within the District), the expected method of financing and the system of providing revenues to operate and maintain the Project, all as identified and provided for in the Report, for any and all purposes of the Act. This Board hereby declares its intent to proceed with the financing of the acquisition of the Project in substantially the manner presented in the Report and pursuant to the terms of the Development Agreement. Any portion of the costs of the Project not financed by the proceeds of the Bonds shall remain eligible to be financed through the sale of future bonds of the District.

Section 4. Declaration of Intention to Order the Project. The public interest and convenience require and it is the intention of the Board to order the Project to be acquired, constructed and performed as stated herein and contemplated by the Report and in conformance

with the final Plans. All items of the Project shall be performed as prescribed by the final Plans and no assessment for any lot shall exceed its proportion of the Estimate.

Section 5. Determination of Need; Formation of Assessment District. The Assessment District is hereby formed, consisting of the property described on *Exhibit A* attached hereto. In the opinion of the Board, the Project is of more than local or ordinary public benefit, the Project principally benefits the land within the Assessment District, and the Board hereby orders that all amounts due or to become due with respect to financing the costs and expenses of the Project, together with all Incidental Expenses (the "*Assessment*"), shall be chargeable upon the respective lots, pieces and parcels of land within the Assessment District.

Section 6. Exclusion of Certain Property. Any public or private street or alley within the boundaries of the Assessment District is hereby omitted from the Assessment District. Any lot, the legal owner of which on this date is the United States, the state, a county, city, school district or any political subdivision or institution of the state or county, which is included within the Assessment District shall be omitted from the assessments hereafter made except as otherwise agreed between the District and such owner.

Section 7. Determination and Notice of Necessity to Issue Bonds. The Board finds that the public convenience requires that special assessment lien bonds, designated Festival Ranch Community Facilities District (City of Buckeye, Arizona) Assessment District No. 10 Special Assessment Revenue Bonds, Series 2016, shall be issued to finance the costs and expenses of the Project and Incidental Expenses. The Board hereby determines that the Bonds shall be issued in the name of the District payable, however, solely and only out of a special fund collectible from special assessments levied and assessed upon the lots, pieces and parcels of land within the Assessment District in not to exceed twenty (20) annual principal installments from the assessments of \$25.00 or over remaining unpaid as of the end of the cash collection period.

The Bonds shall be issued in fully registered form as to principal and interest in the principal amounts of \$25,000 or any integral multiples of \$1,000 in excess thereof. The Bonds shall mature on the first day of July in the years and in amounts to be set by the Board prior to their issuance; provided, however, the Bonds shall mature not later than July 1, 2035. Principal installments of each Assessment shall be due on the first day of June immediately preceding the maturity date of any Bonds and installments of interest of each Assessment shall be due on the first day of June and December.

The Bonds shall bear interest at a rate or rates of not to exceed seven and seventy-five hundredths percent (7.75%) per annum, payable on the first day of January and July of each year, commencing on such date as set forth in the resolution authorizing the Bonds. The Board reserves the right to call the Bonds for prior redemption, in whole or in part of such terms as may hereafter be established by this Board.

Section 8. Bond Anticipation Notes. The Board reserves the right to issue bond anticipation notes pursuant to A.R.S. Section 48-618, as amended. The Board also reserves the right to retain any Bonds which may be issued and to sell the same for cash to pay the contractor the amounts due it in cash.

Section 9. Statutory Authority. The Project and all proceedings pertaining thereto shall be acquired, constructed and performed under the provisions of the Act.

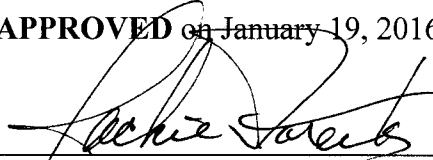
Section 10. Delegation of Authority. The District Engineer and the Superintendent of Streets are hereby authorized to complete the Plans, specification and any contract documents.

Section 11. Right to Reduce Scope of Work. If, because of pending or threatened litigation concerning any one or more parcels subject to the Assessment, the District and the winning bidder receive a written opinion of Bond Counsel stating that the Bonds cannot be issued against such parcel or parcels or the Assessment District is unable to obtain any right-of-way necessary for the acquisition of the Project, the District may then cause the acquisition contract to be modified to exclude from the applicable contract some or all of the Project which will benefit the parcel or parcels in question, or which was located in the right-of-way which was not obtained. The filing of a certificate and request that no Bonds be issued against any parcel pursuant to A.R.S. Sections 48-540 and 48-597, as amended, may be deemed to be threatened litigation.

Section 12. Waiver and Assessment. The owners and lienholders of the property within the Assessment District have heretofore executed and delivered to the District the Waiver wherein the parties thereto have (a) waived any and all requirements for notice and time for protests and objections relating to, among other things, the Project and the extent of the Assessment District; (b) acknowledged that the District shall levy an Assessment; and (c) waived certain procedural requirements. The Waiver is hereby accepted and approved and this Board is proceeding in reliance on the Waiver. The District Manager is hereby authorized to execute the Waiver on behalf of the District and the Clerk is authorized to record the Waiver with the Maricopa County Recorder.

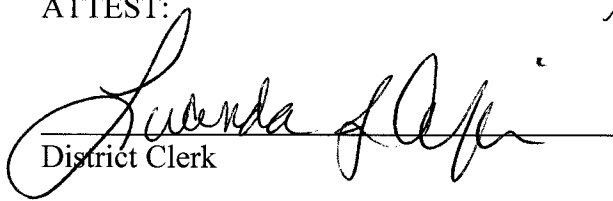
[SIGNATURES ON FOLLOWING PAGE]

PASSED, ADOPTED AND APPROVED on January 19, 2016.



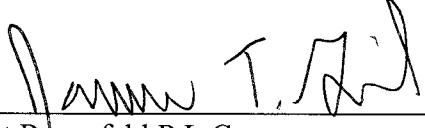
Jackie A. Meck, District Chairman

ATTEST:



District Clerk

APPROVED AS TO FORM

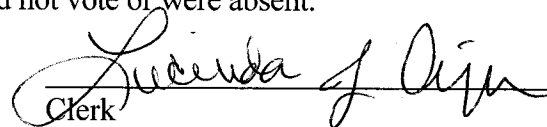


Gust Rosenfeld P.L.C.
Bond Counsel

- Attachments: EXHIBIT A – Legal description of Assessment District
EXHIBIT B – Map of District
EXHIBIT C – Estimated Costs
EXHIBIT D – List of Projects

CERTIFICATE

I hereby certify that the above and foregoing resolution was duly passed by the Board of Directors of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) at a regular meeting held on January 19, 2016, and that a quorum was present thereat and that the vote thereon was 6 ayes and 0 nays; 1 did not vote or were absent.



Clerk

EXHIBIT A

Legal Description of Assessment District No. 10

LOTS 1 THROUGH 100, INCLUSIVE, OF SUN CITY FESTIVAL - PARCEL L1-2, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 1231 OF MAPS, PAGE 32.

EXHIBIT B

Map of Assessment District No. 10

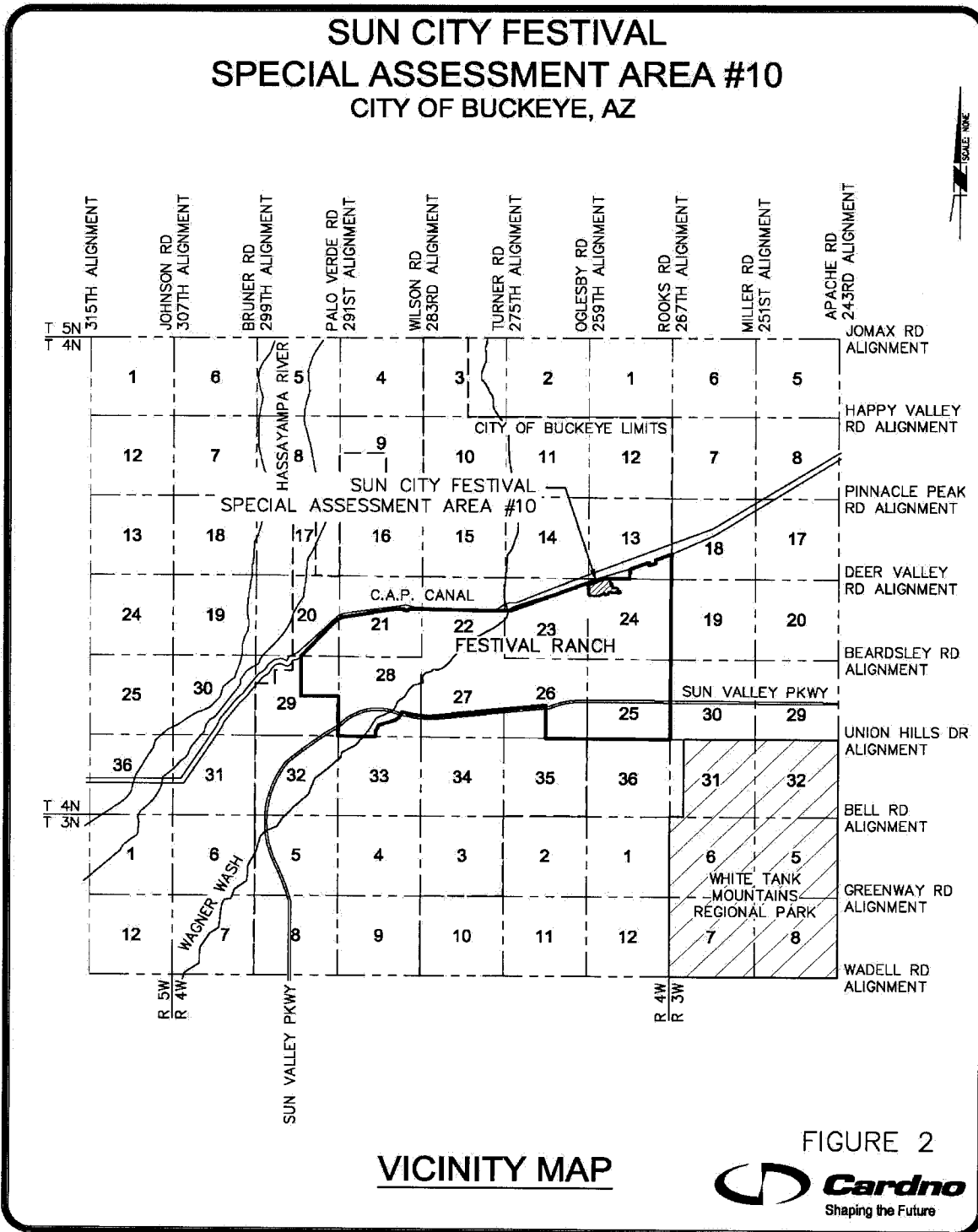


EXHIBIT C

ENGINEER'S ESTIMATED COSTS

DATE: _____

TO: Festival Ranch Community Facilities District
(City of Buckeye, Arizona)

Improvements to the following streets located within Assessment District No. 10 in the Festival Ranch Community Facilities District (City of Buckeye, Arizona) have been constructed. Streets improved include: 266th Lane, 266th Avenue, 266th Drive, 265th Lane, Vista North Drive, Cat Balue Drive, Melinda Lane and Firehawk Drive. In compliance with the provisions of Title 48, Chapter 4, Article 6, Arizona Revised Statutes, and all amendments and supplements thereto, we hereby estimate the costs and expenses of said improvement to be as follows:

Acquisition Costs		\$ 180,000
Incidental Expenses		
Costs of Placement	\$ 7,500	
Costs of Issuance	\$ 32,000	
Reserve Fund	<u>\$ 20,000</u>	
Total Incidentals		<u>\$ 59,500</u>
 TOTAL COSTS		 <u>\$ 239,500</u>

Respectfully submitted,

By _____
Engineer

ACCEPTED:

Superintendent of Streets

EXHIBIT D

The Assessment District shall finance the acquisition of public infrastructure (as such term is defined in the Act) described in the Report, including particularly the acquisition by the District of the following:

Street Improvements to following Streets	Linear Feet
266 th Lane	4,284
266 th Avenue	
266 th Drive	
265 th Lane	
Vista North Drive	
Cat Balue Drive	
Melinda Lane	
Firehawk Drive	

RESOLUTION NO. 16-15 (Festival Ranch)

RESOLUTION OF THE BOARD OF DIRECTORS OF THE FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA) ORDERING THE PUBLIC INFRASTRUCTURE PROJECT PERFORMED AS DESCRIBED IN RESOLUTION NO. 15-15.

WHEREAS, on January 19, 2016, the Board of Directors (the "*Board*") of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) passed and adopted Resolution No. 15-15 (the "*Resolution of Intention*"), declaring its intention to acquire the Project (as defined in the Resolution of Intention), together with all appurtenances and adjuncts necessary; determining that the District's special assessment revenue bonds shall be issued to represent the costs and expenses thereof; declaring the Project to be of more than local or ordinary public benefit; declaring that the costs and expenses thereof shall be assessed upon the Assessment District; and providing that the Project shall be performed under the provisions of Title 48, Chapter 4, Article 6, Arizona Revised Statutes, and all amendments thereto; and

WHEREAS, the Festival Ranch Community Facilities District (City of Buckeye, Arizona) Waiver and Development Agreement Pertaining to Assessment District No. 10 (the "*Waiver*") has been signed by all property owners in the Assessment District and any other persons having an interest in the property within the Assessment District, waiving, among other things, all requirements for notice and time for protests against the Project and objections to the extent of the Assessment District; and

WHEREAS, the Board has thereby acquired jurisdiction to order the acquisition and performance of the Project;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA) as follows:

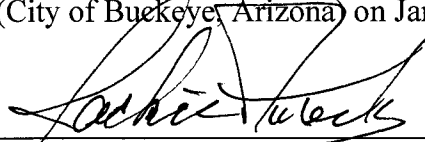
Section 1. Definitions. In this resolution, terms defined in the Resolution of Intention shall have the same meanings herein as therein.

Section 2. Ordering the Performance of the Project. By virtue of the authority vested in Title 48, Chapter 4, Article 6, Arizona Revised Statutes, and all amendments thereto, the Board hereby orders the acquisition or performance of the Project as described in the Resolution of Intention. The District Engineer shall cause to be prepared, if and where necessary, final Plans and contract documents for the Project. The acquisition of any portion of the Project may be performed upon the sale and delivery of the Bonds in an amount sufficient to pay the costs of acquisition.

Section 3. Assessment and Collection. The District Engineer and Superintendent of Streets are hereby authorized and directed to prepare and record an assessment against the real property contained within the Assessment District. The assessment shall be allocated among the parcels and lots within the Assessment District as shown on the assessment

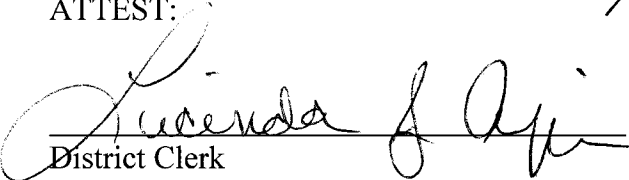
diagram, in the manner established by the District Engineer. The treasurer of the District is hereby directed to make demand on the owners of the real property assessed for advance cash payment of the amount assessed.

PASSED, ADOPTED AND APPROVED by the Board of Directors of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) on January 19, 2016.



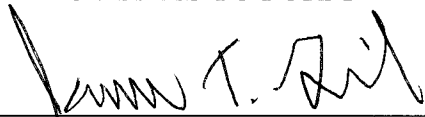
Jackie A. Meck, District Chairman

ATTEST:



District Clerk

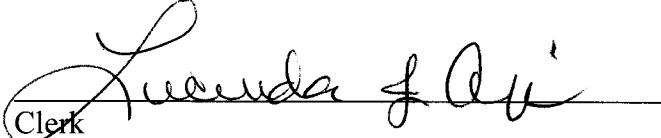
APPROVED AS TO FORM



Gust Rosenfeld, P.L.C.
Bond Counsel

CERTIFICATE

I hereby certify that the above and foregoing Resolution No. 16-15 was duly passed by the Board of Directors of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) at a regular meeting held on January 19, 2016, and that a quorum was present thereat and that the vote thereon was 6 ayes and 0 nays. 1 did not vote or were absent.



Clerk

RESOLUTION NO. 17-15 (Festival Ranch)

RESOLUTION OF THE BOARD OF DIRECTORS OF FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA) APPROVING THE LEVYING OF AN ASSESSMENT AND ASSESSMENT DIAGRAM FOR THE FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA).

WHEREAS, the Board of Directors of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "*District*"), initiated (i) the establishment of an assessment district number 10 within the boundaries of the District (the "*Assessment District*"); (ii) the acquisition of certain public infrastructure improvements and purposes (the "*Project*"), and (iii) the financing of said Project and necessary Incidental Expenses (as defined in the Resolution of Intention) with the District's special assessment revenue bonds within the Assessment District, by the adoption of its Resolution No. 15-15 (the "*Resolution of Intention*") on January 19, 2016; and

WHEREAS, the District acquired jurisdiction to order the acquisition of such Project by the Board of Directors adoption of Resolution No. 16-15 (the "*Resolution Ordering the Work*"); and

WHEREAS, pursuant to a Waiver and Development Agreement, the owners of all of the real property within the Assessment District consented to the inclusion of all of the real property in the Assessment District, subject to later deletions of real property relating to undevelopable and publicly owned land and other modifications, and acknowledged the levy of an assessment within the Assessment District, as provided by law, in an amount not to exceed \$2,000.00 per residential lot for the purpose of financing the Project and Incidental Expenses; and

WHEREAS, the District Engineer (as defined in the Resolution of Intention) has caused to be prepared an estimate of all costs anticipated to be incurred in connection with the acquisition of the Project and the costs of certain Incidental Expenses related thereto;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA) AS FOLLOWS:

Section 1. The estimate of costs and expenses for the Project and Incidental Expenses is as set forth hereafter, and the Estimate (as defined in the Resolution of Intention) on file with the District is as follows:

<u>Project</u>	<u>Costs</u>
Acquisition Costs	\$180,000.00
TOTAL PROJECT COSTS	<u>\$180,000.00</u>
Total Incidental Expenses*	\$39,500.00
Debt Service Reserve Fund	\$20,000.00
GRAND TOTAL	<u>\$239,500.00</u>

* Incidental Expenses payable by Pulte Home Corporation.

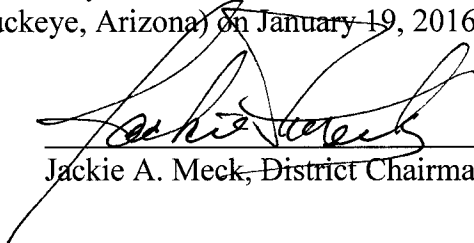
Section 2. The District Engineer, subject to the approval of the District Manager, and the Superintendent of Streets are hereby directed to prepare and levy an assessment against the real property in the Assessment District for an amount not greater than the grand total of costs set forth in Section 1 hereof, less Incidental Expenses paid by Pulte Home Corporation; provided; however, the amount of the assessment may be reduced as actual costs are established and substituted for the estimated costs. The Superintendent of Streets is hereby directed to record in its offices the assessment and record with the Maricopa County Recorder a Notice of Assessment.

Section 3. Those certain duplicate assessment diagrams of the area to be assessed, prepared by the District Engineer, as approved by the District Manager, and heretofore filed with the Clerk of the District, are hereby approved and the Clerk is hereby directed to certify the fact of such approval on the face of each of such diagrams including the date hereof as the date of such approval and to deliver a copy of the diagrams to the Superintendent of Streets.

Section 4. The Treasurer of the District is hereby directed to make demand on the owners of the real property assessed for advance cash payment of the assessed amount, and with respect to any assessments that bonds are issued against, bill and collect each installment payment then due and owing.

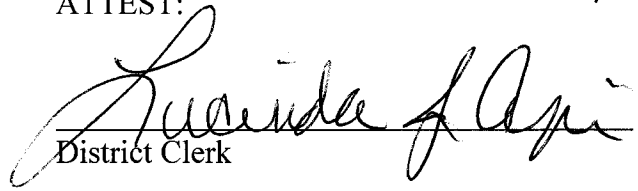
Section 5. All acts of the Clerk, the District Engineer, the District Manager, the Superintendent of Streets and any person acting for such officials in furtherance of this resolution are hereby ratified and confirmed.

PASSED AND ADOPTED by the Board of Directors of Festival Ranch Community Facilities District (City of Buckeye, Arizona) on January 19, 2016.



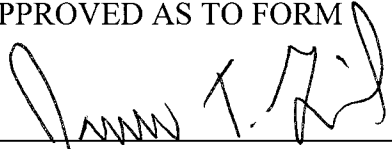
Jackie A. Meck, District Chairman

ATTEST:



District Clerk

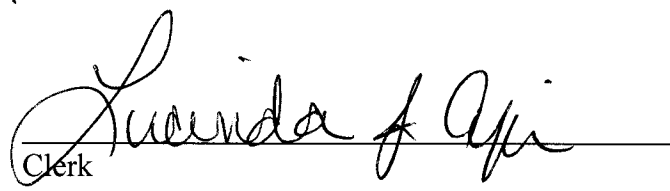
APPROVED AS TO FORM



Gust Rosenfeld P.L.C.
Bond Counsel

CERTIFICATE

I hereby certify that the above and foregoing resolution was duly passed by the Board of Directors of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) at a regular meeting held on January 19, 2016, and that a quorum was present thereat and that the vote thereon was 6 ayes and 0 nays; 1 did not vote or were absent.



Clerk

RESOLUTION NO. 01-16 (FESTIVAL RANCH)

RESOLUTION OF THE BOARD OF DIRECTORS OF FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA) APPROVING THE ASSESSMENT AND THE PROCEEDINGS HERETOFORE HAD AND TAKEN FOR THE FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA), DETERMINING THE WORK HAS BEEN COMPLETED IN ACCORDANCE WITH THE PLANS AND SPECIFICATIONS, AND ORDERING THE COLLECTION OF THE AMOUNT ASSESSED.

WHEREAS, the Board of Directors of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "*District*"), initiated (i) the establishment of Assessment District No. 10 (the "*Assessment District*"); (ii) the acquisition and/or construction of certain public infrastructure improvements and purposes (the "*Project*"), and (iii) the financing of said Project and necessary Incidental Expenses (as defined in the Resolution of Intention) with the District's special assessment revenue bonds, and (iv) ordered the design, acquisition and construction of such Project by the adoption of its Resolution No. 15-15 (Festival Ranch) (the "*Resolution of Intention*") on January 19, 2016; and

WHEREAS, pursuant to a Festival Ranch Community Facilities District Waiver and Development Agreement Pertaining to Assessment District No. 10, the owners of all of the real property within the Assessment District consented to the inclusion of all of the real property in the Assessment District, subject to later deletions of real property relating to non-developable and publicly owned land and other modifications, and acknowledged the levy of an assessment, as provided by law, in an amount not to exceed \$200,000 for the purpose of financing the Project and Incidental Expenses; and

WHEREAS, an assessment in the amount of \$200,000 was prepared, which resulted in a total assessment certified to bond in the amount of \$200,000 (the "*Assessment*") and warrant has been prepared as provided by law and Special Assessment Revenue Bonds, Series 2016, in the amount of \$200,000, have been or shall be issued and sold; and

WHEREAS, the District Engineer (as defined in the Resolution of Intention) has reported to the Board of Directors that all work relating to the Project has been completed in accordance with the approved plans and specifications; and

WHEREAS, a hearing was set for the consideration of the Assessment and notice of such hearing on the Assessment has been given to all persons owning real property in the Assessment District as the names appear upon the tax roll and such hearing has been held; and

WHEREAS, no objections to the District Engineer's determination that all work relating to the Project has been completed in accordance with the plans and specifications have been filed or presented at the hearing; and

WHEREAS, the District Engineer has caused to be prepared an estimate of all costs anticipated to be incurred in connection with the acquisition and construction of the Project and the costs of certain Incidental Expenses related thereto;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA) AS FOLLOWS:

Section 1. The work relating to the Project as described in the Resolution of Intention has been completed in accordance with the plans and specifications and is hereby accepted as complete.

Section 2. Any and all objections to the Assessment, the legality of the Assessment and the legality of all proceedings related to the Assessment District are hereby overruled. The Assessment in the amount of \$200,000 as so made is hereby fully and finally confirmed and approved.

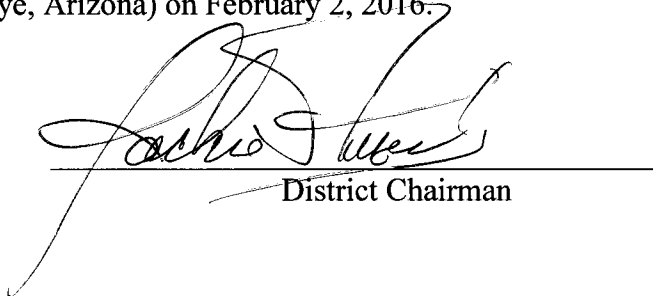
Section 3. All acts of the District Clerk, the Superintendent of Streets and any person acting for such officials in setting the date for the hearing on the Assessment and causing notice thereof to be mailed is hereby ratified and confirmed.

Section 4. The Superintendent of Streets is hereby directed to request the Treasurer of the District to collect the Assessment that has been levied against the real property in the Assessment District for an amount not greater than the grand total of costs set forth in the Assessment.

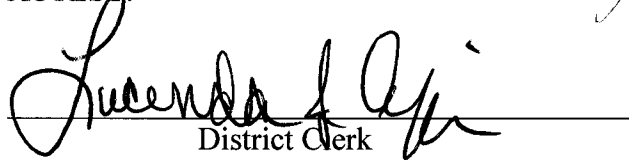
Section 5. With respect to any Assessment that bonds are issued against, the Treasurer of the District shall cause the Assessment to be billed and collected in installment payments sufficient to pay the amounts due on any bonds that are secured by such Assessment. The Assessment shall be collected and, if necessary, foreclosed in accordance with Arizona Revised Statutes § 48-601, et seq., as amended, and in accordance with the Festival Ranch Community Facilities District Waiver and Development Agreement Pertaining to Assessment District No. 10, recorded on January 22, 2016 at Docket 2016-0043977.

Section 6. All acts of the District Clerk, the Treasurer of the District, the District Manager, the District Engineer and the Superintendent of Streets, and any person acting for such officials in furtherance of this resolution or in the collection of the Assessment are hereby approved, ratified and confirmed.

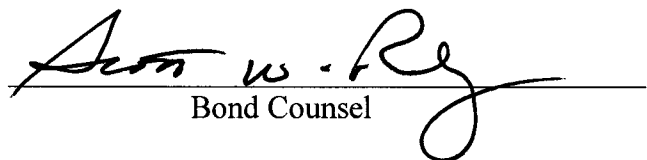
PASSED AND ADOPTED by the Board of Directors of Festival Ranch Community Facilities District (City of Buckeye, Arizona) on February 2, 2016.


District Chairman

ATTEST:

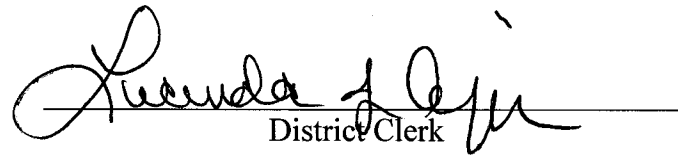

District Clerk

APPROVED AS TO FORM


Bond Counsel

CERTIFICATE

I hereby certify that the above and foregoing Resolution No. 01-16 (Festival Ranch) was duly passed by the Board of Directors of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) at a regular meeting held on February 2, 2016, and that a quorum was present thereat and that the vote thereon was 6 ayes and 0 nays; 1 did not vote or were absent.


District Clerk

When recorded return to:
Mr. Scott W. Ruby
Gust Rosenfeld P.L.C.
One East Washington Street, Suite 1600
Phoenix, Arizona 85004-2553

**FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
WAIVER AND DEVELOPMENT AGREEMENT
PERTAINING TO ASSESSMENT DISTRICT NO. 10**

This Festival Ranch Community Facilities District (City of Buckeye, Arizona) Waiver and Development Agreement Pertaining to Assessment District No. 10, dated as of January 19, 2016 (the "*Agreement*"), by and among Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "*District*"), and the undersigned owners of the land within the District (or holders of options to purchase land within the District) (collectively referred to as "*Interested Parties*").

WHEREAS, the City of Buckeye, Arizona, an Arizona municipal corporation (the "*City*") and Pulte Home Corporation, a Michigan corporation ("*Pulte*"), as an Interested Party, are parties to that certain Development Agreement dated October 4, 2000, as amended (the "*Development Agreement*") in connection with that project on the land subject thereto known as "Festival" (the "*Project*"); and

WHEREAS, pursuant to the Development, Financing, Participation and Intergovernmental Agreement No. 1 for Festival Ranch Community Facilities District (Buckeye, Arizona) dated as of April 21, 2005 and recorded April 22, 2005 at Document No. 2005-0523800 in the Official Records of Maricopa County Records (the "*District Agreement*"), the Interested Parties intend to request the District to form assessment district number 10 (the "*Assessment District*") comprised of the property described and shown on Exhibit A attached hereto (the "*Property*") for the purpose of providing certain public infrastructure purposes (as defined in Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended (the "*Act*")) such public infrastructure purposes to be located on or off the Property; and

WHEREAS, the Interested Parties and all persons hereafter taking an interest in the Property or any portion thereof shall be bound by the terms, waivers and agreements set forth in this Agreement and bound by the Assessments (as defined herein) recorded against the Property; and

WHEREAS, the proposed public infrastructure purposes to be provided by the Assessment District shall consist of:

A. Acquisition of the public infrastructure (as such term is defined in the Act) described on Exhibit B attached hereto and all incidental improvements related thereto;

B. All engineering, legal, financial and incidental costs and expenses incurred in completing the acquisition of the public infrastructure (as such term is defined in the Act) described in paragraph A above and the costs and expenses incurred in connection with the levy of the Assessment and issuance and sale of the Assessment District bonds.

C. Capitalized interest on such Assessment District bonds, if any, for a period not to exceed the aggregate time for acquisition of the public infrastructure described herein, plus six months thereafter; and

D. A debt service reserve fund created for such Assessment District bonds.

Collectively, the acquisition of such public infrastructure described in paragraphs A through D above and the costs and expenses thereof shall hereinafter be referred to as the "*Work*"; and

WHEREAS, persons having only a lienholder's interest or other security interest in the Property ("*Lienholders*") as shown on the Consent and Agreement attached hereto consent to these terms and provisions of this Agreement and the recording thereof and acknowledge the levying of the Assessments against the Property; and

WHEREAS, for purposes of this Agreement, references to the Interested Parties, Lienholders and all future owners or holders of any interest in any portion of the Property are limited to the current Interested Parties and Lienholders, and to all future owners or holders of any interest in any portion of the Property acquiring an interest during the time period between the execution and delivery of this Agreement and the final hearing on the Assessment (as defined herein) pursuant to A.R.S. § 48-590.

NOW, THEREFORE, the Interested Parties and Lienholders, and all future owners or holders of any interest in any portion of the Property, hereto agree as follows:

1. **Development Agreement and Agreement Allocating Assessments.** This Agreement is a "development agreement" within the meaning of Arizona Revised Statutes Section 9-500.05 and the written agreement allocating the assessments is authorized pursuant to Arizona Revised Statutes Section 48-721, as amended.

2. **Reliance on Agreement.** This Agreement does not create a binding commitment on the part of the District to actually form the Assessment District, or, if formed, of the District or the Assessment District to sell or deliver such Assessment District bonds, construct, install or acquire any or all of the Work, or if it does construct, install or acquire any of the Work, to construct, install or acquire it pursuant to any existing proposals. However, the District, and, if

formed, the Assessment District, in going forward with the Work, is doing so in reliance upon this Agreement to have the Property included within the Assessment District and assessed for the costs thereof.

3. Review and Approval of the Boundaries and Scope of Work; Acknowledgment of Assessment.

(i) The Interested Parties have reviewed or have had the opportunity and right to review the boundaries of the Assessment District, the assessment diagram, the preliminary plans and specifications detailing the Work and the engineer's estimate of the costs of the Work (the "*Engineer's Estimate*"). The parties agree the costs of the Work shall be spread among the parcels comprising the Property within the Assessment District utilizing a methodology determined by the Assessment District engineer based on the expected benefit to the residential lots and commercial parcels to be developed on the Property. The Interested Parties agree that the Engineer's Estimate of the costs of Work is, and will not exceed the amount set forth on Exhibit B attached hereto and the Assessment (as defined herein) amount shall be allocated and levied to each developable parcel (residential lot) within the Assessment District in an amount not to exceed \$2,000 per parcel (residential lot).

(ii) This Agreement shall be construed to be an express consent by the Interested Parties, Lienholders and all future owners of any portion of the Property that: (a) the District may form the Assessment District in accordance with the provisions hereof; and (b) the District and the Assessment District may incur costs and expenses necessary to complete or acquire the Work.

(iii) Furthermore, the Interested Parties, Lienholders and all future owners of any portion of the Property acknowledge that the District or the Assessment District may levy and collect an assessment on the Property sufficient to pay all costs and expenses of the Work (including Work benefitting the Property in the proposed Assessment District, which was constructed, installed or performed prior to the execution hereof) and the costs of levying the assessment and the issuance of the Assessment District bonds, but not in excess of the Engineer's Estimate (the "*Assessments*").

4. No Protest, Objection or Request for Hearings. The Interested Parties and Lienholders, and all future owners or holders of any interest in any portion of the Property, hereby agree to allow the formation of the Assessment District and to acknowledge the Assessment District will take all steps necessary to levy, confirm and record Assessments against the Property and to issue such Assessment District bonds supported by the Assessments. The Interested Parties and Lienholders acknowledge and agree that pursuant to A.R.S. § 9-500.05 the provisions of A.R.S. § 32-2181 do not apply and that pursuant to this Agreement the parties waive their right to appear before the Board of Directors of the District on any hearing required at or prior to the confirmation of the Assessments and waive their right to: (a) protest and object to the extent of the Assessment District pursuant to A.R.S. § 48-579 and 580; (b) protest the award of contract pursuant to A.R.S. § 48-584 and (c) object to the Assessments on procedural grounds, or as to the legality of the Assessments, pursuant to A.R.S. § 48-590.

5. **Waiver of Procedural Deficiencies and Irregularities.** The Interested Parties and Lienholders, and all future owners or holders of any interest in any portion of the Property, with full knowledge of the provisions of Title 48, Chapter 4, Articles 2 and 6, of the Arizona Revised Statutes and their rights thereunder (or having obtained counsel to advise them of the provisions and their rights), expressly waive any and all irregularities, illegalities or deficiencies which may now or hereafter exist in the acts or proceedings resulting in the formation of the District, the Assessment District, the adoption of the resolution of intention and the resolution ordering the Work, the levying of the Assessments against the Property and the issuance of Assessment District bonds secured by the Assessments levied against the Property.

6. **Waiver.** The Interested Parties and Lienholders, and all future owners or holders of any interest in any portion of the Property, with full knowledge of the provisions and their rights under the provisions of law hereafter referenced, expressly agree to waive the following:

(i) any defect in the proceedings and election establishing the District, as required by A.R.S. § 48-702 through § 48-708, inclusive, and agree that, to the extent of any defect, this Agreement shall constitute the petitions required by law to form and establish the District without conducting an election;

(ii) any and all notices and response time periods related to such notices provided by A.R.S. § 48-576 *et seq.*, as amended, including but not limited to the following:

(a) mailing, posting and publication, as applicable, of any notice required in connection with: (A) the adoption of the resolution of intention, (B) the notice of proposed improvements, (C) the adoption of the resolution ordering the Work, (D) notice of passage of the resolution ordering the Work, (E) notice of award of contract and (F) any other steps necessary in connection with the Assessment District or the Work; and

(b) any and all notices pertaining to a hearing on the Assessments;

(iii) any and all objections and protests to the extent of the Assessment District;

(iv) any and all objections to the adoption by the District or the Assessment District of the plans and specifications, the Engineer's Estimate and the assessment diagram, all of which provide for and effectuate the completion of the Work;

(v) any and all protest rights against the Work and objections to the awarding of one or more acquisition contracts for the Work;

(vi) any and all defenses they may now or subsequently have against the Assessments or the Assessment District bonds; and

(vii) all demands for cash payment of the Assessments.

7. **Work as More Than Local and Ordinary Benefit.** The Interested Parties and Lienholders, and all future owners or holders of any interest in any portion of the Property, agree that the Work is of more than local or ordinary public benefit and that the Work constitutes a public infrastructure purpose and that the Property which is subject to the Assessments receives a benefit from the Work in an amount not less than the Engineer's Estimate, and not less than the portion of the Assessment levied against each parcel or lot comprising the Property.

8. **Public Bidding.** The public bidding requirements set forth in A.R.S. §§ 48-581 and 584 have been or will be complied with by the Interested Parties on behalf of the District with respect to each contract comprising the Work.

9. **Performance of the Work.** The District or the Assessment District may immediately, upon issuance of such Assessment District bonds, acquire, bid, construct and perform all or part of the Work.

10. **Acknowledgment of Assessment.** The Interested Parties and Lienholders, and all future owners or holders of any interest in any portion of the Property, acknowledge the District shall levy the Assessments in an amount not greater than the Engineer's Estimate against all of the residential parcels of land located within the boundaries of the Property; and that such Assessments shall be collected and foreclosed in accordance with Arizona Revised Statutes § 48-601 *et seq.*, as amended and in accordance with any other documents executed and delivered in connection with the delivery of the Assessment Bonds.

11. **Recording and Validity of Assessments.** The Interested Parties and Lienholders, and all future owners or holders of any interest in any portion of the Property, acknowledge the District shall record the Assessments against the Property and acknowledge such recording of the Assessments shall constitute valid and enforceable liens against the respective parcels comprising the Property as shown and the amounts set forth in the Assessments, subject only to the lien for ad valorem taxes.

12. **Assessments to go to Bond.** Except as any Interested Party, or any future owner or holder of any interest in any portion of the Property, otherwise notifies the Assessment District in writing prior to the recording of the Assessments of their intent to pay all or part of their Assessment in cash, Assessments will not be paid in cash. With respect to Assessments not paid in cash, the Interested Parties request, and all future owners or holders of any interest in any portion of the Property agree, that a certified list of unpaid Assessments be filed as soon as possible after the recording of the Assessments and that Assessment District bonds amortizing the payment of the Assessments over not less than fifteen (15) years be issued and sold as soon as possible.

13. **No Reduction of Obligation.** The inability of the District or the Assessment District to assess all or any portion of the costs of the Work shall not reduce the obligation of the Interested Parties, and all future owners or holders of any interest in any portion of the Property, so long as they own all or part of any parcel comprising the Property, to pay their proportionate share of the costs of the Work.

14. **Waiver of Collateral Document Provisions.** The Interested Parties and Lienholders, and all future owners or holders of any interest in any portion of the Property, expressly waive any and all provisions of any collateral security instruments relating to the Property which prohibit the formation of the Assessment District, completion of the Work and levying and recording of the Assessments against the Property.

15. **Dedication of Property Needed to Perform the Work.** The Interested Parties and Lienholders, and all future owners or holders of any interest in any portion of the Property, consent to the dedication, without cost, of the rights-of-way, easements and other property, as required by the District or Assessment District for acquisition of the Work. The Interested Parties and Lienholders, and all future owners or holders of any interest in any portion of the Property, agree to cooperate in effectuating any required dedication, including execution of any required document.

16. **Payment of Maintenance Costs.** The Interested Parties and Lienholders, and all future owners or holders of any interest in any portion of the Property, acknowledge the District or the Assessment District may levy a tax or assessment upon the Property, all as provided by law, to pay the operation and maintenance costs of the District, the Assessment District and the Work.

17. **Indemnification Under Securities Act.** The Interested Parties, jointly and severally, hereby agree to indemnify and hold the District and the City and each director, council member, officer, agent, legal counsel, independent contractor or employee thereof and each person, if any, who controls the District and the City, its officers, employees and agents, within the meaning of the Securities Act of 1933, as amended (the "*Securities Act*") (collectively the "*Indemnified Persons*") harmless from, from and against any and all losses, claims, damages or liabilities, including reasonable attorney's fees arising from any challenge to the formation, activities or administration of the District, or any losses, claims, damages or liabilities, including reasonable attorney's fees related to which any of the Indemnified Persons may become subject, under any statute or regulation at law or in equity or otherwise, insofar as such losses, claims, damages or liabilities, including attorney's fees (or actions in respect thereof) arise out of or are based upon any untrue statement or any alleged untrue statement or material fact set forth in any official statement applicable to the Assessment District's bonds or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or which is necessary to make the statements therein, in light of the circumstances in which they were made, not misleading in any material respect. This Section 17 shall survive the termination hereof.

18. **General Indemnification of District and Directors.** The Interested Parties, jointly and severally, hereby agree to indemnify the District and each director, officer, agent, legal counsel, employee, independent contractor, financial advisor and the City, its officers, employees, agents, independent contractors and council members (collectively, the "*Indemnified Parties*") and shall hold the Indemnified Parties harmless from, for and against any and all claims and reasonable costs incurred, including but not limited to reasonable attorneys' fees and other administrative or out of pocket costs actually and directly incurred by the Indemnified Parties in

connection with or as the result of acts of the District or the District Board which are (i) within the scope of the District or District Board's authority under the Securities Act, or (ii) undertaken by the District or District Board in a properly advertised public meeting. This Section 18 shall survive the termination hereof.

19. Disclosure Document. The Interested Parties, and all future owners or holders of any interest in any portion of the Property, hereto agree that any potential purchaser of any real property subject hereto, including each potential purchaser of a residential lot within the District, shall receive a concise disclosure document that discloses the existence, the estimated payment amount and the payment terms of any portion of the Assessment applicable to the real property to be purchased. Each potential purchaser shall acknowledge in writing that the purchaser received and understood the concise disclosure document and has agreed to the terms, waivers, acknowledgments and agreements contained in this Agreement. The District agrees to maintain records of the written acknowledgments. The provisions of this Agreement shall not apply to the sale of any real property which is not subject to the Assessment.

20. Encumbrance of the Property. The provisions, terms and restrictions of this Agreement shall run with and bind the Property as equitable servitudes and also as covenants running with the land. Without limitation of the foregoing, in the event of any sale, transfer or other conveyance by the Interested Parties or Lienholders, and all future owners or holders of any interest in any portion thereof, the Property or such portion thereof shall continue to be bound by all of the terms, conditions and provisions hereof. Prior to the completion of the Work, the levy of the Assessments pertaining to the Work and the final hearing regarding the Assessments, any purchaser, transferee or other subsequent owner shall execute and deliver to the District the disclosure document described in Section 19 hereof, and shall take such property subject to all of the terms, conditions and provisions hereof and any purchaser, transferee or other subsequent owner shall take such property entitled to all of the rights, benefits and protections afforded the predecessor in interest thereof by the terms hereof.

21. Recording. This Agreement may be recorded in the office of the County Recorder of Maricopa County, Arizona.

22. Continuing Disclosure. So long as any Interested Party, or any future owner or holder of any interest in any portion of the Property, is the owner of a portion of the Property that is liable for 20% or more of the debt service on any Assessment District bonds, such Interested Party, solely with respect to their assessed property, will, if requested by the District, provide any and all information needed to comply with the information reporting requirements contemplated by Rule 240.15c2-12, General Rules and Regulations, Securities Exchange Act of 1934.

23. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Interested Parties hereto, their future grantees, respective heirs, successors and assigns. There shall be no third party beneficiaries of this Agreement, except that solely for the purposes of receiving the benefits of the provisions of Sections 17 and 18 of this Agreement, the Interested Parties hereto agree that the City is a third party beneficiary of the terms and provisions of Sections 17 and 18 of this Agreement.

24. **Authority.** The Interested Parties individually warrant, with respect to their own status only, that they have the requisite authority to bind the entity on whose behalf they are signing and, to the best of their knowledge, no other consents are required.

25. **Counterparts.** For convenience, this Agreement may be executed in one or more counterparts and each executed counterpart shall for all purposes be deemed an original and shall have the same force and effect as an original, but all of which together shall constitute in the aggregate but one and the same instrument. This Agreement will constitute the entire agreement between the parties, and supercedes all previous written or oral agreements or understandings regarding the subject matter of this Agreement.

26. **Waiver of Claims by Interested Parties.**

(i) Except as to certain payments or reimbursements applied for by Pulte pursuant to the District Agreement, the Interested Parties knowingly and voluntarily forever release and discharge the District and all of their past and present elected officials, officers, directors, agents, employees, successors, assigns, attorneys, and representatives from all legal and equitable claims, causes of action, debts, accounts and damages occurring and existing prior to the date of this Agreement whether known or unknown, asserted or unasserted, and of every nature and extent whatsoever, that the Interested Parties have against the District in connection with the Project arising from actions omissions, delays or other events that occurred prior to the date of this Agreement.

(ii) Except as to (1) certain issues relating to the warranty provided in connection with certain public infrastructure under the Development Agreement and claims of Pulte pertaining to the City's operation and maintenance of the Festival Wastewater Reclamation Facility; (2) the repayment to or payment by Pulte, or the refund, reimbursement or imposition of, certain impact fees by the City in connection with the Project; (3) issues regarding the City's interpretation of Resolution 09-07; (4) any claims of Pulte in connection with requests to modify approved and constructed rights-of-way and/or design standards, ordinances, allowed densities, intensity and uses that differ from established CMP standards and the Development Agreement for the Project, (5) claims of Pulte pertaining to the City's operation and maintenance of the City owned roadway improvements located within the existing public right-of-way, and (6) claims of Pulte pertaining to the City's operation and maintenance of the Festival Water Plant No. 1 and Well Nos. 1 and 2, Interested Parties knowingly and voluntarily forever releases and discharges the City and all of their past and present elected officials, officers, directors, agents, employees, successors, assigns, attorneys, and representatives from all legal and equitable claims, causes of action, debts, accounts and damages occurring prior to the date of this Agreement whether known or unknown, asserted or unasserted, and of every nature and extent whatsoever, that the Interested Parties have against the City in connection with the Project arising from actions, omissions, delays or other events that occurred prior to the date of this Agreement.

(iii) None of the releases and discharges above are intended to, and do not negate or otherwise relieve the City of any executory contractual obligations under existing contracts or of any obligations under any applicable statutes or ordinances.

27. **Failure to Sell Bonds.** In the event the District fails or is otherwise unable to sell and/or deliver Assessment District bonds in an amount sufficient to allow the District to pay the amounts needed to pay the costs of the Work and upon written request of the owner of the real property within the Assessment District, the District agrees to adopt proceedings that dissolves and terminates any Assessment District or the Assessments, established by the District, encumbering the Property.

28. **Lienholders Consent.** The Interested Parties represent that the only Lienholder, as of the date hereof, is Meng Shiang Chen Ni.

29. **Further Assurances.** Without limitation of the foregoing, the Interested Parties, and all future owners and holders of any interest in any portion of the Property, shall execute and deliver to the District, upon request but at no third-party cost, all further assurances and waivers as may be required by the District and the Act to give full effect to the provisions of this Agreement, each of which further assurances and waivers by this reference shall, upon such execution, delivery and recording, be deemed incorporated herein and have the same priority as this Agreement.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the undersigned have duly affixed their signatures, all as of the day and year first written above.

FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA), an Arizona political subdivision

By: Jackie Meck
District Chairman

ATTEST:

Lucinda J. Aja
District Clerk

APPROVED AS TO FORM:

James T. Giel
James T. Giel, Special District Attorney

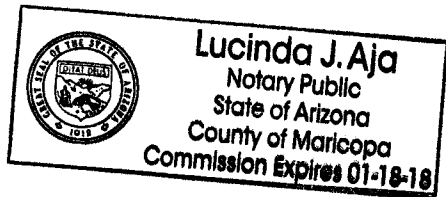
STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 19th day of January, 2016, by Jackie A. Meck, Chairman of the Festival Ranch Community Facilities District (City of Buckeye, Arizona), an Arizona political subdivision.

Lucinda J. Aja
Notary Public

My commission expires:

01-18-2018



LANDOWNER:

PULTE HOME CORPORATION, a
Michigan corporation

By *Scott Wright*
Scott Wright
Its: Division President

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 11th day of January, 2016, by Scott Wright the Division President of Pulte Home Corporation, a Michigan corporation, on behalf of the corporation.

(Seal and Expiration Date)



Cindy R. Coates
Notary Public

04/09/2019

**LIENHOLDER
CONSENT AND AGREEMENT**

Reference is made to that certain Festival Ranch Community Facilities District (City of Buckeye, Arizona) Waiver and Development Agreement, dated as of ~~December 15, 2015~~, ^{1/19/16} *gpa* initially by and among the Festival Ranch Community Facilities District, and the Interested Parties (as defined therein), to which this Lienholder Consent and Agreement is attached (the "Agreement"). All capitalized terms used and not otherwise defined in this Lienholder Consent Agreement shall have the meanings set forth in the Agreement. The undersigned, Meng Shiang Chen Ni ("*Beneficiary*"), is the successor beneficiary under that certain Performance Deed of Trust recorded as Instrument No. 2004-0549496, Official Records of Maricopa County, Arizona, by reason of that Assignment of Deed of Trust recorded as Instrument No. 2010-0957274. The undersigned, as a Lienholder having an interest in real property within the Assessment District, hereby consents to the Agreement, acknowledges that the Agreement shall bind all the Property in which the undersigned has an interest within the District, and authorizes the recordation of the Agreement with respect to all such Property. In no event, however, shall anything in this Lienholder Consent and Agreement constitute a personal assumption by the undersigned or Beneficiary of the obligations of any party under the Agreement.

DATED: DEC 17, 2015

Meng S. Chen Ni
Meng Shiang Chen Ni

STATE OF CALIFORNIA)
) ss. Taiwan
County of Orange) City of Taipei
) American Institute in)
) Taiwan, Taipei Office) ss

On 17 DEC 2015, 2015, before me, Min Bookbinder, a Notary Public, personally appeared Meng Shiang Chen Ni, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of ~~the State of California~~ that the foregoing paragraph is true and correct.

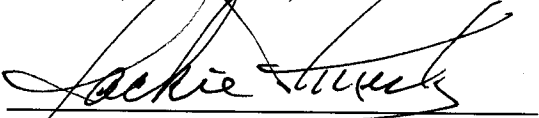
Signature: Min Bookbinder (Seal)

Notary Public
Min Bookbinder
Special Notary (PL96-8)
Duly appointed and qualified
My commission expires: June 14, 2017

ACCEPTED:

**FESTIVAL RANCH COMMUNITY
FACILITIES DISTRICT (CITY OF
BUCKEYE, ARIZONA)**

By



Its: District Chairman

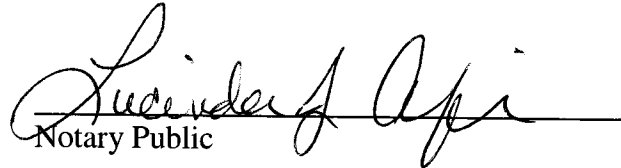
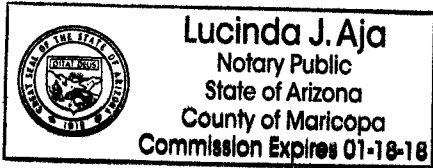
STATE OF ARIZONA)

) ss.

COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 17th day of January, 2016 by Jackie A. Meck, the District Chairman of Festival Ranch Community Facilities District (City of Buckeye, Arizona).

(Seal and Expiration Date)

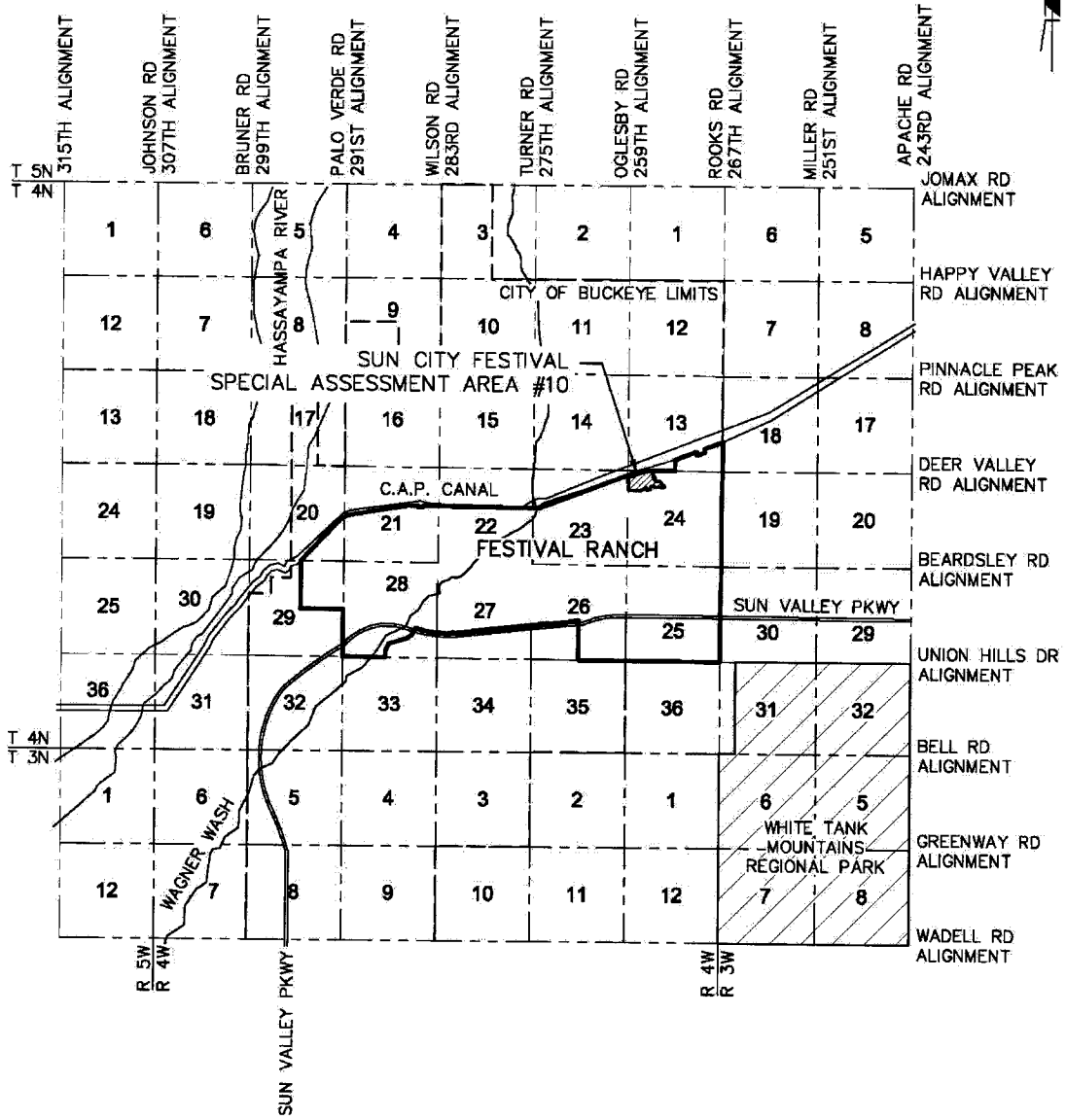

Notary Public

01/18/2018

EXHIBIT A

LOTS 1 THROUGH 100, INCLUSIVE, OF SUN CITY FESTIVAL - PARCEL L1-2, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 1231 OF MAPS, PAGE 32.

SUN CITY FESTIVAL SPECIAL ASSESSMENT AREA #10 CITY OF BUCKEYE, AZ



VICINITY MAP

FIGURE 2



EXHIBIT B

PUBLIC INFRASTRUCTURE

"Public Infrastructure" means, for purposes of this Agreement, the following:

Assessment District No. 10

Parcel	No. of Lots	Street Improvements	Street Names	Linear Feet	Estimated Date of Completion
L1-2	100	\$561,472.00	266 th Lane 266 th Avenue 266 th Drive 265 th Lane Vista North Drive Cat Balue Drive Melinda Lane Firehawk Drive	4,284	December 2015

WARRANT

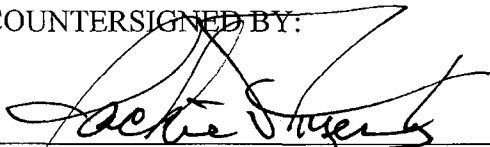
By virtue hereof, I, Scott Lowe, Public Works Director, acting in its capacity of Superintendent of Streets of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "*District*"), with respect to Assessment District No. 10 by virtue of the authority vested in me as said Superintendent of Streets, hereby authorize and empower the Treasurer of the District, his agents or assigns, to prepare and record in the office of the Superintendent of Streets a Treasurer's Return and Certificate of Unpaid Assessments without making a demand for cash payment of the assessments based upon the waiver by all the owners of assessed property within the District of their right to receive a demand for cash payment as set forth in the District's Waiver and Development Agreement Pertaining to Assessment District No. 10. The District's Special Assessment Revenue Bonds, Series 2016 (the "*Bonds*") will be issued in the form and manner prescribed by Title 48, Chapter 4, Article 6, Arizona Revised Statutes, and amendments and supplements thereto, to represent the cost and expenses of the work prescribed in the assessment, and notice is hereby given that the Bonds will be paid out of a special fund, collected in not to exceed twenty (20) annual installments from the assessments of twenty-five dollars or more remaining unpaid at the date of the Bonds.

DATED: February 2, 2016



Scott Lowe, as Superintendent of Streets

COUNTERSIGNED BY:



Chairman, Governing Board,
Festival Ranch Community Facilities District
(City of Buckeye, Arizona)

ASSESSMENT

IN THE MATTER OF THE FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA) PERTAINING TO THE ACQUISITION AND/OR CONSTRUCTION OF CERTAIN PUBLIC IMPROVEMENTS AND INFRASTRUCTURE WITHIN THE DISTRICT AND FINANCED BY THE ISSUANCE OF THE DISTRICT'S SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2016.

Pursuant to the provisions of Title 48, Chapter 4, Article 6, Arizona Revised Statutes, and amendments and supplements thereto (the "*Act*") and pursuant to the Resolution of Intention No. 15-15, adopted by the Governing Board of the District on January 19, 2016 (the "*Resolution*"), Scott Lowe, Public Works Director, acting in his capacity as Superintendent of Streets of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) (hereinafter referred to as the "*District*"), hereby assesses the costs of the public infrastructure purposes described hereafter, and apportions such costs as shown herein, upon the lots and parcels of land as described in the Resolution and this assessment and as shown on the Assessment Diagram and as described on Exhibit A (copies of which are attached hereto). The assessed costs shall be paid to the Treasurer of the District, its agents or assigns, to finance the acquisition and construction of public infrastructure (as such term is defined in the Act) described in the feasibility report, as amended, for this project (the "*Report*"), including, but not limited to, the acquisition of certain parcels of real property for public rights-of-way and easements, the reimbursement of the costs of constructing certain public infrastructure, the payment of costs related to the design of such improvements and the costs incurred in connection with the sale of the District's Assessment District No. 10, Special Assessment Revenue Bonds, Series 2016 (the "*Bonds*") described in the Resolution (collectively, the "*Project*"), all of the above work or improvement to be done and financed in accordance with the Report on file in the offices of the District Clerk and Superintendent of Streets.

The assessment of a portion of the costs of the Project, the apportionment of said costs and the allocation of said costs to each lot, portion of lot, or parcel of land shown on the Assessment Diagram, is hereby assessed, apportioned and allocated pursuant to Sections 48-721(A) and 48-589, Arizona Revised Statutes, as amended, the Festival Ranch Community Facilities District (City of Buckeye, Arizona) Waiver and Development Agreement Pertaining to Assessment District No. 10 (the "*Waiver Agreement*") by and among the District and all of the persons having an interest in the assessed parcels, and a supplemental agreement among the District and the owners of all of the assessed real property. The respective assessed amounts set forth below (which assessments shall bear interest at such rate necessary to pay the interest owing on the Bonds (as defined hereafter), and the costs of administering the collection of the assessments), do not exceed the benefits to be received and the assessed amounts are within the estimated costs and expenses of the Project approved on January 19, 2016, by the Governing Body in the Resolution, which Resolution approved and authorized the levying of a total assessment in an amount not to exceed \$200,000. Opposite the description of each lot or parcel of land is set out the names of the owners of property as known and as shown on the most recently certified assessment roll for State and local taxes (the "*Owners*").

Pursuant to Section 48-721(A), Arizona Revised Statutes, as amended, this assessment is based on a portion of the actual costs of the Project as known on the date hereof. The actual amount of any assessment is available from the Superintendent of Streets. In the Waiver Agreement, the Owners waived their rights to receive a demand for cash payment, consented to the recording of the assessment against the real property described in the Resolution and requested that all assessments go to bond. This assessment pertains to and will secure the payment of all the principal and interest of the Bonds.

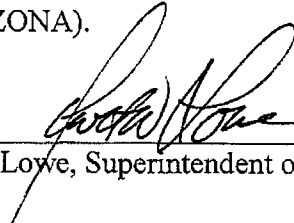
THE COST OF A PORTION OF THIS WORK ASSESSABLE AGAINST THE PARCELS TO BE BENEFITTED IS \$200,000, AND IS MORE PARTICULARLY BROKEN DOWN AS FOLLOWS:

SUMMARY OF COSTS

Total Project Costs	\$180,000
Debt Service Reserve Fund	<u>20,000</u>
GRAND TOTAL	<u>\$200,000</u>

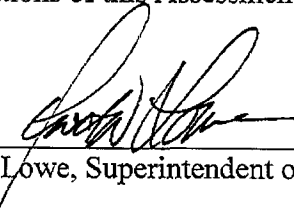
DATED: 19 JAN, 2016

RECORDED THIS 19 DAY OF January, 2016, IN THE OFFICE OF THE SUPERINTENDENT OF STREETS OF THE FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA).



Scott Lowe, Superintendent of Streets

I, Scott Lowe, on behalf of the Superintendent of Streets of the Festival Ranch Community Facilities District (City of Buckeye, Arizona), do hereby certify that all charges stated are correct and that the computations and calculations of this Assessment are correct.



Scott Lowe, Superintendent of Streets

EXHIBIT A

Assessment Attachment

Owner: Pulte Home Corporation
15111 N. Pima Road
Suite 100
Scottsdale, Arizona 85260

Assessment District No. 10

Assessment No.: 1

Parcel No. L1-2

<u>Assessment Amount</u> <u>Per Lot*</u>	<u>Lot</u> <u>Numbers</u>	<u>Amount Paid</u> <u>Per Lot</u>	<u>Final Assessed Amount to</u> <u>go to Bond Per Lot</u>
\$2,000.00	1-100	\$-0-	\$2,000.00

Property Legal Description attached hereto as Exhibit A-1.

* Pursuant to the Waiver Agreement and other agreements entered into by the Owners, it was agreed prior to recording the assessment that no cash payment of the assessment would be made, therefore, the Final Assessment Amount to go to Bond reflects this parcel's proportionate share of costs related to the issuance of the special assessment revenue bonds.

EXHIBIT A-1

Legal Description of Assessment District No. 10

(See attached)

September 24, 2015

LEGAL DESCRIPTION FOR
SUN CITY FESTIVAL
SPECIAL ASSESSMENT AREA NO. 10

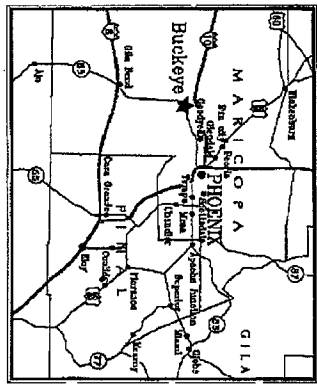
Lots 1 through 100, inclusive, of Sun City Festival Parcel L1-2 as recorded in Book 1231 of
Maps, Page 32, Records of Maricopa County, Arizona.



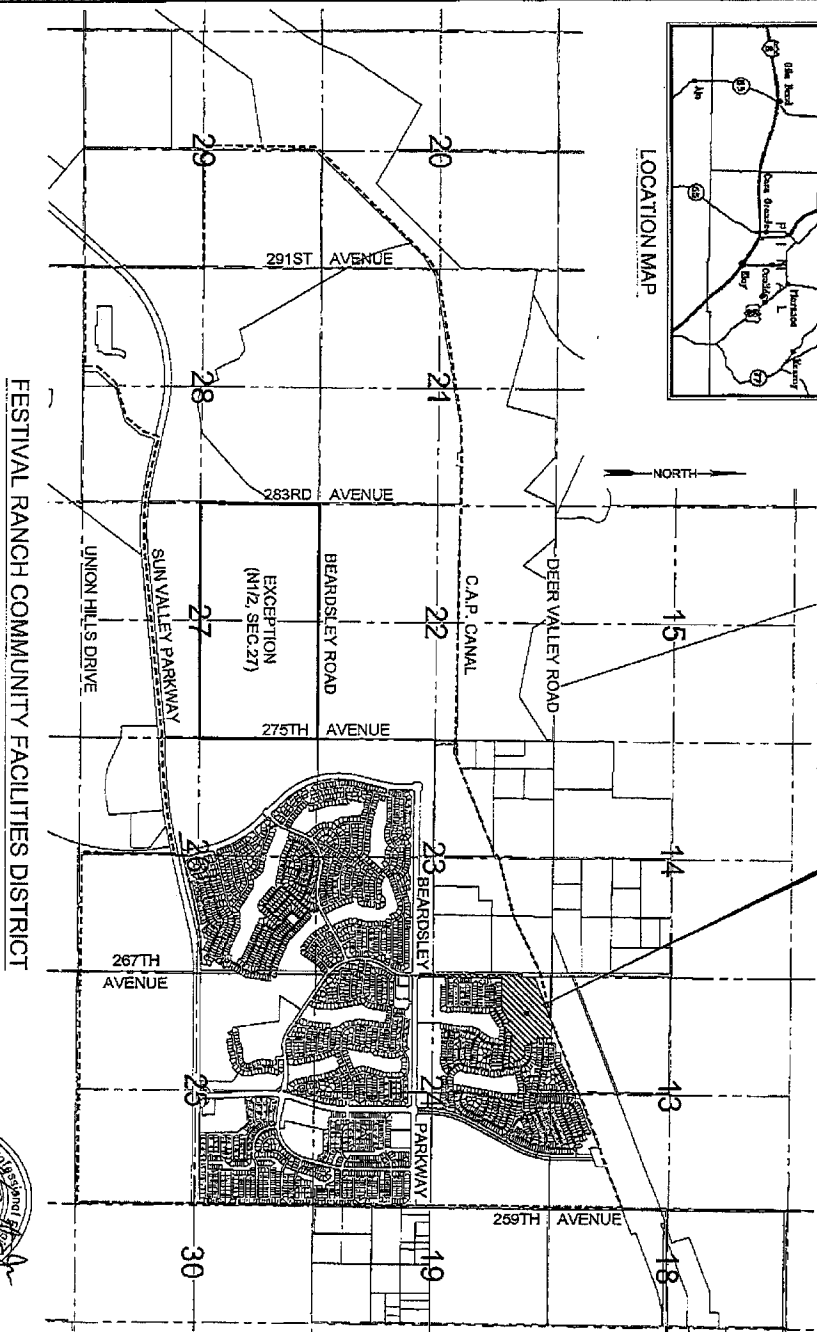
Page 1 of 1

9977 N 90th Street, Suite 150 | Scottsdale AZ 85258 | 602.977.8000





LOCATION MAP



PARCEL L1
SPECIAL ASSESSMENT
DISTRICT NO. 10
(SEE SHEET 2 OF 2)

(CITY OF BUCKEYE, ARIZONA)
FESTIVAL RANCH
COMMUNITY FACILITIES DISTRICT
SPECIAL ASSESSMENT DISTRICT NO. 10

- LEGEND**
- FESTIVAL RANCH SPECIAL ASSESSMENT DISTRICT (SAD) NO. 10
 - FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
 - ASSESSMENT NO.
 - LOT NO.
 - ASSIGNMENT IDENTIFICATION NO.
 - ORIGINAL ASSIGNMENT NO.

DISTRICT ENGINEER CERTIFICATION
I HEREBY CERTIFY THAT THE PARCEL BOUNDARIES SHOWN ARE DERIVED ON THIS PLAN FROM SURVEY BY MICHAEL DUNNEN, L.L.C. AND ARE CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.
M. Dunn
DISTRICT ENGINEER
DATE: 11-19-15

APPROVED BY RESOLUTION NO. 17-15 AT A MEETING OF THE BOARD OF DIRECTORS OF THE FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT OF THE CITY OF BUCKEYE, ARIZONA, ON THIS DATE OF 11/20/15.
Shirley J. ...
DISTRICT CLERK
DATE: 11-20-15
SIGNED THIS 19th day of November, 2015.
Shirley J. ...
DATE: 11-19-15
SUBMITTED BY: *Shirley J. ...*
SUPERVISOR OF STREETS

EXHIBIT C

SAD NO. 10 ASSESSMENTS

PARCEL	ASSESSMENT NO.	LOTS	DATE
L1	L1-10-001 THROUGH L1-10-100	100	NOVEMBER 03, 2015

NOTE: LOT LAYOUT SHOWN ON SHEET 2.

EXPIRES 06/30/2016



EPS GROUP
1604 N. Litchfield Rd., Suite 201
Tucson, AZ 85712
732.515.4461 | 732.547.4662
www.epsregroup.com

DATE: 11-03-15
SHEET NO. 1 OF 2

TREASURER'S RETURN AND CERTIFICATE OF UNPAID ASSESSMENTS

TO: Scott Lowe, as Superintendent of Streets of
Festival Ranch Community Facilities District
(City of Buckeye, Arizona) Assessment District No. 10

Larry Price, being duly sworn, says that he is the Finance Director of the City of Buckeye, Arizona, and *ex officio* Treasurer of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "District"), named in the annexed assessment, diagram, and warrant as the person empowered to collect the several assessments mentioned in such assessment; that said assessment for a portion of the total costs of certain work described therein was levied upon certain lots, portions of lots, or parcels of land, for the sum of TWO HUNDRED THOUSAND and 00/100 Dollars (\$200,000.00). Said assessments are payable to the Treasurer and were authorized and approved in Resolution No. 17-15 of the governing board of the District. The warrant on which this return is endorsed and the diagram hereto attached were recorded in the office of said Superintendent of Streets; that after said assessment, diagram and warrant were recorded, a duplicate of said diagram was filed with the District Clerk, the said assessment, diagram and warrant were delivered by the Superintendent of Streets to affiant as Treasurer; that, pursuant to the Waiver Agreement described in the assessment, the requirement to make demands for cash payment was waived by all the owners of all the assessed real property; and that the total of said assessments remains unpaid as described as follows:

A. Cash received	\$0.00
B. Amount remaining unpaid of less than \$25 per assessment	\$0.00
C. Amount remaining unpaid of more than \$25 per assessment	\$0.00
D. Total to bond	<u>\$200,000.00</u>

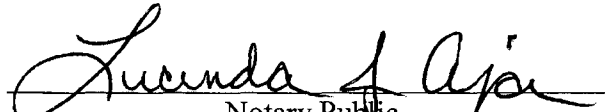
DATED: February 2, 2016

FESTIVAL RANCH COMMUNITY
FACILITIES DISTRICT (CITY OF BUCKEYE,
ARIZONA)



Treasurer

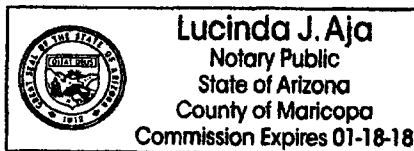
SUBSCRIBED AND SWORN to before me, a Notary Public, this 2nd day of February, 2016.



Notary Public

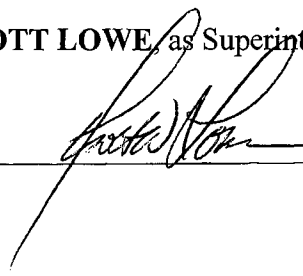
My Commission expires:

01-18-2018



RETURN AND CERTIFICATE RECORDED ON February 2, 2016.

SCOTT LOWE, as Superintendent of Streets



OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
2016-0043978 01/22/2016 11:42
00671800338-2-2-2--

When recorded return to:

City of Buckeye, Arizona
ATTN: Lucinda J. Aja, City Clerk
530 East Monroe Avenue
Buckeye, Arizona 85326

ELECTRONIC RECORDING

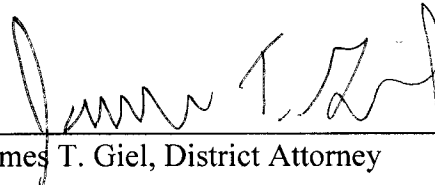
**NOTICE OF RECORDING OF ASSESSMENT
FOR THE
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 10
IN THE
OFFICE OF SUPERINTENDENT OF STREETS**

TO WHOM IT MAY CONCERN:

Please take notice that on January 19, 2016, the Superintendent of Streets of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) Assessment District No. 10 recorded, in its office, the assessment pertaining to the Festival Ranch Community Facilities District (City of Buckeye, Arizona) Assessment District No. 10 Special Assessment Revenue Bonds, Series 2016, which assessment encumbers and liens the real property described on Exhibit A hereto. Pursuant to Arizona Revised Statutes Section 48-721B, as amended, the assessment constitutes a first lien on the property assessed (described on Exhibit A hereto) subject only to general taxes and prior special assessments.

Information pertaining to the amount of the assessment, method of payment or prepayment and reallocation of the assessment may be addressed to the Superintendent of Streets, 530 East Monroe Avenue, Buckeye, Arizona 85326, Attention: Scott Lowe, Public Works Director, acting in his capacity as Superintendent of Streets or to Gust Rosenfeld P.L.C., One East Washington Street, Suite 1600, Phoenix, Arizona 85004-2553, Attention: James T. Giel, District Attorney.

DATED: January 19, 2016.



James T. Giel, District Attorney

Attachment:

Exhibit A: Legal Description of Assessed Property

Record in the Office of the Maricopa County Recorder

EXHIBIT A

September 24, 2015

LEGAL DESCRIPTION FOR
SUN CITY FESTIVAL
SPECIAL ASSESSMENT AREA NO. 10

Lots 1 through 100, inclusive, of Sun City Festival Parcel L1-2 as recorded in Book 1231 of Maps, Page 32, Records of Maricopa County, Arizona.



Page 1 of 1

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