

\$404,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 7
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2011

Closing: April 7, 2011

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 (Town of Buckeye, Arizona) (the "*Issuer*"):

FINANCING DOCUMENTS

1. (a) Agenda and minutes of District Board meeting held on January 18, 2011
(b) Certified copy of Resolution No. 02-11, Providing for the Issuance of Bonds.
2. Indenture of Trust and Security Agreement.
3. UCC-1 Financing Statement.
4. Closing Certificate of the Issuer.
5. Tax Certificate of the Issuer.
6. Issuer Request for Payment of Costs of Issuance.
7. Closing Certificate of Town of Buckeye.
8. Closing Certificate of Pulte Home Corporation.
9. Letter of Indemnity from Pulte Home Corporation.
10. Request for Authentication to the Trustee to Authenticate and Deliver the Bonds.
11. Certificate and Receipt of Trustee.
12. Certificate of Placement Agent Regarding Yield on the Bonds.
13. Receipts for Bonds.
14. Qualified Investor Letters.
15. Specimen Bond.

16. Copy of Blanket Letter of Representations with Depository Trust Company.
17. Settlement, Delivery and Closing Procedures, including Debt Retirement Schedule.
18. Report to the Arizona Department of Revenue Regarding Issuance of the Bonds; certificate of mailing.
19. IRS Form 8038-G Information Return for Tax-Exempt Governmental Bond Issues; certificate of mailing.

OPINIONS

20. Approving opinion of Gust Rosenfeld P.L.C.
21. Opinion of Counsel for Pulte Home Corporation.

ASSESSMENT DOCUMENTS

22. Feasibility Report.
23. Evidence of Publication of Notice of Hearing on Feasibility Report.
24.
 - (a) Agenda and Minutes of District Board meeting of December 7, 2010
 - (b) Resolution No. 05-10 Resolution of Intention and Approving Feasibility Report & Public Hearing and
 - (c) Resolution Ordering the Work No. 06-10.
25. Waiver and Development Agreement(s).
26.
 - (a) Agenda and minutes of District Board meeting of January 18, 2011
 - (b) Resolution No. 01-11 Approving Levy of Assessment.
27. Warrant, Assessment, Return and Certified List.
28. 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) (3 CDs)
Town of Buckeye (1 paper, 2 CDs)
Pulte Home Corporation (Developer) (CD)
Stone & Youngberg LLC (Placement Agent)
Gust Rosenfeld P.L.C. (Bond Counsel) (CD)
Wells Fargo Bank, N.A. (Trustee Bank) (CD)
Berens, Kozub & Kloberdanz, PLC (CD)

**PLEASE SILENCE ALL ELECTRONIC COMMUNICATION DEVICES (INCLUDING CELL PHONES/PAGERS) BEFORE THE MEETING IS CALLED TO ORDER.
THANK YOU.**

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

**JOINT MEETING
OF THE COMMUNITY FACILITIES DISTRICTS TOWN OF BUCKEYE, ARIZONA
PURSUANT TO SECTIONS 48-711, 48-715 AND TITLE 38, CHAPTER 3, ARTICLE 3.1
ARIZONA REVISED STATUTES, AS AMENDED, TAKE NOTICE THAT A JOINT MEETING
OF THE
GOVERNING BOARDS OF
ANTHEM SUN VALLEY COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE)
ELIANTO COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE)
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE)
MIRIELLE COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE)
SUNDANCE COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE)
TARTESSO WEST COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE)
TRILLIUM COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE)
VERRADO DISTRICT 1 COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE)
VERRADO WESTERN OVERLAY CFD (TOWN OF BUCKEYE)
WATSON ROAD COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE) and
WESTPARK COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE)**

JANUARY 18, 2011

AGENDA

**Town 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. Approval of Meeting Minutes for October 19, 2010 for the following Community Facilities Districts:

Anthem Sun Valley Community Facilities District Meeting
Elianto Community Facilities District Meeting Minutes
Mirielle Community Facilities District Meeting Minutes
Sundance Community Facilities District Meeting Minutes
Tartesso West Community Facilities District Meeting Minutes
Trillium Community Facilities District Meeting Minutes
Verrado District 1 Community Facilities District Meeting Minutes
Verrado Western Overlay Community Facilities District Meeting Minutes
Watson Road Community Facilities District Meeting Minutes
Westpark Community Facilities District Meeting Minutes; and,

Approval of Meeting Minutes for December 7, 2010 for the following Community Facilities District:

Festival Ranch Community Facilities District
Board Action: Motion to approve.

3. Approval/Ratify Expenditures

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
Board Action: Motion to approve.

4. Citizen Input / Appearances from the Floor

Board Action: None.

5. Festival Ranch Community Facilities District

5A. Resolution No. 01-11 of the Board of Directors of Festival Ranch Community Facilities District (Town of Buckeye, Arizona) Approving the Levying of an Assessment and Assessment Diagram for the Festival Ranch Community Facilities District (Town of Buckeye, Arizona)

Board to adopt Resolution No. 01-11 approving the levying of an assessment and assessment diagram for the Festival Ranch Community Facilities District (Town of Buckeye, Arizona).

Board Action: Motion to approve.

5B. Resolution No. 02-11 of the Board of Directors of Festival Ranch Community Facilities District (Town of Buckeye, Arizona) Authorizing the Issuance of its Assessment District No. 7 Special Assessment Revenue Bonds, Series 2011, in the Aggregate Principal Amount of Not to Exceed \$404,000; Approving the Form and Authorizing the Execution and Delivery of an Indenture of Trust and Security Agreement, a Purchase Contract Relating to the Bonds, a Continuing Disclosure Undertaking, a Dissemination Agenda Agency and Certain other Documents Securing the Payment of or Relating to the Bonds; Awarding the Bonds to the Purchaser Thereof; and taking other Actions Securing the Payment of and Relating to the Bonds.

Board to adopt Resolution No. 02-11 authorizing the issuance of Festival Ranch Community Facilities District's Special Assessment Revenue Bonds in the amount not to exceed \$404,000; approving form and authorizing execution and delivery of related documents; awarding the bonds to the purchaser thereof.

Board Action: Motion to approve.

6. Adjournment

Board Action: Motion to adjourn.

**TOWN OF BUCKEYE
REGULAR COUNCIL MEETING
JANUARY 18, 2011**

MINUTES

Town Council Chambers

**530 E. Monroe Ave.
Buckeye, AZ 85326
6:00 p.m.**

1. Call to Order/Invocation/ Pledge of Allegiance/Roll Call

Mayor Meck called the meeting to order at 6:00 p.m. Pastor Richard Burrell, Mt. Pleasant Church led the invocation.

Members Present: Councilmember Garza, Councilmember Strauss, Councilmember May, Councilmember Orsborn, Councilmember Heustis, Vice Mayor McAchran, and Mayor Meck.

Members Absent: None.

Departments Present: Town Manager Stephen Cleveland, Town Attorney Scott Ruby, Town Clerk Lucinda Aja, Deputy Town Clerk Deborah Harrell, Assistant to Council Carol Conley, Economic Development Coordinator Cheryl Covert, Information Technology Director Dee Hathaway, Administrative Services Director David Johnson, Human Resources Director Nancy Love, Public Works Director Scott Lowe, Interim Water Resources Director Dave Nigh, Police Chief Mann, Finance Director Larry Price, Community Services Director Cheryl Sedig and Town Engineer/Development Services Director Woody Scoutten.

2A. Comments from the Public – Mr. Charles Waters spoke regarding the Sundance Fundraiser stating the turnout was a success with approximately three hundred people including one hundred forty-four golfers and fifty volunteers with a revenue of approximately \$16,000.

2B. Awards/Presentations/Proclamations

Mayor Meck acknowledged and thanked Mrs. Alice Charman and Mrs. Annette Napolitano for their combined service to the Town of approximately 50 years. Mayor Meck acknowledged and thanked members of Boards and Commissions Advisory Boards with expired terms as follows:

Community Services Advisory Board – Hank Newberry and Thomas Campanella

Library Advisory Board – Alice Charman

Planning and Zoning Commission – Annette Napolitano, David Argano, and Betty Villa

Social Services Advisory Board – Julia Johnson and Ruth Grande

Mayor Meck and Council recognized the winners of the 2010 Holiday Decorating Contest as follows:

Grand Prize District 1 – David & Sebine McCain

1st Place District 1 – Gloria Aragon

1st Place District 2 – Jean Novak

1st Place District 3 – Dwayne & Linda Updike

1st Place District 4 – Frank & Angella Deangelis & James Livingston (neighbors)

1st Place District 5 – Brandon Ayers

1st Place District 6 – Jim & Laura Forbes

1st Place District 2 - Main Street Commercial – Buckeye News

1st Place District 2 – Main Street Residential - Missy Lopez & Janice Chaddock

1st Place District 2 – Commercial - The Saloon Hair & Day Spa

3. Minutes

A motion was made by Councilmember May and seconded by Councilmember Heustis to approve the minutes of the November 16, 2010 Council Workshop and Regular Council Meeting, and the December 7, 2010 Council Workshop and Regular Council Meeting. Motion passed unanimously.

4. Expenditures

A motion was made by Councilmember May and seconded by Councilmember Orsborn to ratify the payment of the accounts payable General Fund expenditures made. Copies of invoices are available at Town Hall. Motion passed unanimously.

CONSENT AGENDA ITEMS

Approval of items on the Consent Agenda - All items with an (*) are considered to be routine matters and will be enacted by one motion and vote of the Town Council. There will be no separate discussion of these items unless a Councilmember requests, in which event the item will be removed from the consent agenda and considered in its normal sequence. A motion was made by Councilmember May and seconded by Councilmember Orsborn to approve Items *5A, *5B, *5C, *5D, *5E and *5F. Motion passed unanimously.

***5. New Business**

- *5A. Resolution No. 01-11 Ordering the Work and the Formation of Town of Buckeye Street Lighting Improvement District (SLID) No. 2006-SLID-009, Crystal Vista, and declaring an emergency**
Staff Liaison: Scott Lowe, Public Works Director
District No. 3

Council received a report from the Clerk and Public Works director concerning any protests and objections to the extent of the district and thereafter act on Resolution No. 01-11, ordering the work and the formation of Town of Buckeye Street Lighting Improvement District No. 2006-SLID-009, and declaring an emergency.

- *5B. Resolution No. 02-11 Ordering the Work and the Formation of Town of Buckeye Parkway Maintenance Improvement District (MID) No. 2006-MID-009, Crystal Vista, and Declaring an Emergency**
Staff Liaison: Scott Lowe, Public Works Director
District No. 3

Council received a report from the Clerk and Public Works director concerning any protests and objections to the extent of the district and thereafter act on Resolution 02-11, ordering the work and the formation of Town of Buckeye Parkway Maintenance Improvement District No. 2006-MID-009, and declaring an emergency.

- *5C. Consider Acceptance of the Donation of Right-of-Way Along Miller Road from Miller Park, LLC**
Staff Liaison: Woody Scoutten, Town Engineer
District No. 5

Council accepted the donation of one (1) parcel of real property from Miller Park, LLC, in connection with the Town's construction of Lower Buckeye Road extending from Miller Road into Westpark.

- *5D. Consider Acceptance of the Donation of Right-of-Way at the Southeast Corner of Miller Road and Lower Buckeye Road from Phoenix Land Fund B, LLC**
Staff Liaison: Woody Scoutten, Town Engineer
District No. 5

Council accepted the donation of one (1) parcel of real property from Phoenix Land Fund B, LLC, in connection with the Town's construction of Lower Buckeye Road extending from Miller Road to Youngker High School at approximately 247th Avenue.

- *5E. Consider Acceptance of the Donation of Right-of-Way for Lower Buckeye Road from Walton AZ Monte Verde Limited Partnership**
Staff Liaison: Woody Scoutten, Town Engineer
District No. 5

Council accepted the donation of two (2) parcels of real property from Walton AZ Monte Verde Limited Partnership, in connection with the Town's construction of Lower Buckeye Road extending from Miller Road to Youngker High School at approximately 247th Avenue.

- *5F. Buckeye Industrial Park Map of Dedication (MOD)**
Staff Liaison: Adam Zaklikowski, Associate Planner
District No. 1

Council approved Case No. MOD07-08R, a revised Map of Dedication for the Buckeye Industrial Park, dedicating right-of-way along the frontage of the property on Turner Road, south of the Union Pacific railroad tracks. Request by Mauricio Iaculli of RBF Consulting on behalf of FR/CAL Ogelsby, LLC.

6. Continued / Tabled Items

6A. Action Resolution No. 06-11, Approving a Lease Agreement Between Maricopa County Community College District (MCCCD) and the Town of Buckeye for the Lease for a Portion of the A-Wing Building and Authorizing the Mayor to Execute and Deliver the Said Lease (Tabled from the December 7, 2010 Regular Council Meeting)

**Staff Liaison: Cheryl Covert, Economic Development Coordinator
District No. 2**

Ms. Covert presented an overview of the lease agreement with Maricopa County Community College District (MCCCD). MCCCD will be leasing approximately 11,000 square feet of space for use as a center campus. This lease agreement permits MCCCD to finance six classroom improvements, the Town to construct said improvements, and Estrella Mountain Community College (EMCC) to be open for fall 2011 classes. Mr. Clay Goodman (Estrella Mountain Community College) was in attendance and available to answer Council's questions. Mr. Goodman confirmed that EMCC will offer classes in English, Math, Economics and Computer Science. A motion was made by Councilmember May and seconded by Vice Mayor McAchrans to:

1. Adopt Resolution No. 06-11, approving a lease agreement between Maricopa County Community College District (MCCCD) and the Town of Buckeye for the lease for a portion of the A-Wing building and authorizing the Mayor to execute and deliver the said lease, with the rent amount of \$586,005, prepaid, for a lease term of 30 years, and MCCCD is not entitled to any refund of any portion of their prepaid rent, to be applied towards the construction of tenant improvements, in the event MCCCD vacates the A-Wing prior to the end of the specified lease term of 30 years; and,
2. Authorize the Town Manager to execute all task orders including architectural services, to amend the Guaranteed Maximum Price (GMP) for the Construction Manager at Risk (CMAR) from the original awarded amount of \$745,084 to \$1,183,276 and amend the architectural task order from \$45,000 to \$115,400 to bring the building to a grey shell; and,
3. Authorize the Town Manager to award an architectural task order and new GMP for the tenant improvements needed for beneficial occupancy by MCCCD.

Motion passed unanimously.

7. Public Hearings / Non-Consent - New Business

**7A. Public Hearing and Action Series 7 Liquor License Application (Transfer) for Pizza Hut
Staff Liaison: Lucinda Aja, Town Clerk
District No. 2**

Mayor Meck opened a public hearing at 6:37 p.m. to hear citizen input regarding the Series 7 Liquor License Application No. 07070146 (Transfer) for Pizza Hut, located at 1217 W. Highway 85. Ms. Theresa Morse of Hot Pizzas (19486 No. Carrie Lane) was available to answer Council questions. There being no further public comment, Mayor Meck closed the public hearing at 6:38 p.m. A motion was made by Councilmember Heustis and seconded by Councilmember May to approve the Series 7 Liquor License Application No. 07070146 (Transfer) for Pizza Hut, located at 1217 W. Highway 85. Councilmember Garza, Councilmember Strauss, Councilmember Orsborn, Councilmember Heustis, Vice Chairman McAchrans, and Mayor Meck voted aye; Councilmember May voted nay. Motion carried.

**7B. Public Hearing and Action Series 12 Liquor License Application (Restaurant) for Halftime Sports Bar & Grill, LLC
Staff Liaison: Lucinda Aja, Town Clerk
District No. 4**

Mayor Meck opened a public hearing at 6:39 p.m. to hear citizen input regarding the Series 12 Liquor License Application No. 12078577 (Restaurant) for Halftime Sports Bar & Grill, LLC located at 1300 S. Watson Road, Suite 109. There being no public comment, Mayor Meck closed the public hearing at 6:40 p.m. A motion was made by Councilmember Heustis and seconded by Councilmember Orsborn to approve the Series 12 Liquor License Application No. 12078577 (Restaurant) for Halftime Sports Bar & Grill, LLC located at 1300 S. Watson Road, Suite 109. Councilmember Garza, Councilmember Strauss, Councilmember Orsborn, Councilmember Heustis, Vice Chairman McAchrans, and Mayor Meck voted aye; Councilmember May voted nay. Motion carried.

**7C. Public Hearing and Action Arroyo Seco Preliminary Plat
Staff Liaison: Brian Kulina, Associate Planner
District No. 6**

Mayor Meck opened the public hearing at 6:41 to hear citizen input regarding Arroyo Seco Preliminary Plat. Brian Kulina provided Council a brief overview of the preliminary plat generally located west of Jackrabbit Trail between Osborn Road and Thomas Road. Two letters were received in opposition and property owner, Mr. Mark Voigt (6900 E. Second Street, Scottsdale) confirmed the questions and concerns

were addressed with the residents and there has been no further opposition. There being no further public comment Mayor Meck closed the public hearing at 6:49 p.m. A motion was made by Councilmember Orsborn and seconded by Councilmember Strauss to approve a Preliminary Plat for the subdivision known as Arroyo Seco consisting of 852 single family residential lots on approximately 290 acres generally located west of Jackrabbit Trail between Osborn Road and Thomas Road. Motion passed unanimously.

7D. Action Resolution No. 08-11 Approving Intergovernmental Agreement Between the Town of Buckeye and the Flood Control District of Maricopa County for the Design, Utility Relocations, Construction, Construction Management, and Operation and Maintenance of the Palm Lane Crossing of the White Tanks FRS No. 3 Outlet Channel in Connection with the Town Park and Ride Facility Project and Authorizing the Town Manager to Execute and Deliver said Agreement on Behalf of the Town
Staff Liaison: Woody Scoutten, Community Development Director
Julius Diogenes, Town Engineer

District No. All

Mr. Diogenes presented Council an overview and was available to answer Council's questions. A motion was made by Councilmember Orsborn and seconded by Councilmember May to adopt Resolution No. 08-11, approving the Intergovernmental Agreement Between the Town of Buckeye and the Flood Control District of Maricopa County for the Design, Utility Relocations, Construction, Construction Management, and Operation and Maintenance of the Palm Lane Crossing of the White Tanks FRS No.3 Outlet Channel and authorizing the Town Manager to execute and deliver said Agreement on behalf of the Town, with the agreement related to Resolution No. 09-11 approving the Palm Lane Shared Improvements Agreement by and between the Town of Buckeye and Nevada Holdings, Co., L.P., wherein Nevada Holdings and the Town identify shared improvement components within Palm Lane, address the over sizing of water line infrastructure, and provide for reimbursement to the Town for costs associated with the construction of the Palm Lane improvements. Motion passed unanimously.

7E. Action Resolution No. 09-11 Approving Palm Lane Shared Improvements Agreement dated January 18, 2011 by and Between the Town of Buckeye and Nevada Holdings Co., L.P. in Connection with Town Park and Ride Facility and Authorizing the Mayor to Execute and Deliver said Agreement on Behalf of the Town
Staff Liaison: Woody Scoutten, Community Development Director
Julius Diogenes, Town Engineer

District No. All

Mr. Diogenes presented Council an overview and was available to answer questions. A motion was made by Councilmember Orsborn and seconded by Councilmember May to adopt Resolution No. 09-11, approving the Palm Lane Shared Improvements Agreement Dated January 18, 2011 by and between the Town of Buckeye and Nevada Holdings Co., L.P. and authorizing the Mayor to execute and deliver said Agreement on behalf of the Town, related to Resolution No. 08-11 approving the Intergovernmental Agreement between the Town of Buckeye and the Flood Control District of Maricopa County for the Design, Utility Relocations, Construction, Construction Management, and Operation and Maintenance of the Palm Lane Crossing of the White Tanks FRS No.3 Outlet Channel (the "FCD IGA" and the FCD IGA also relates to the Town's Park and Ride Facility and under the FCD IGA, certain Palm Lane roadway improvements and floodplain channel construction is addressed. Motion passed unanimously.

7F. Action Resolution No. 05-11 Approving Purchase and Sale Agreement between the Town of Buckeye and the Miller Road Property, L.C. in Connection with the Yuma Road Realignment Project and Authorizing the Execution and Delivery of said Agreement on Behalf of the Town
Staff Liaison: Woody Scoutten, Community Development Director
Bobbi Johnson, Scoutten Engineering

District No. All

Mr. Scoutten provided Council an overview of the Purchase and Sale Agreement indicating the need to eliminate existing traffic safety issues at the intersection of Yuma Road and Miller Road. Approval of this right-of-way purchase will allow the Town to own a portion of the right-of-way on which the future realignment of Yuma Road will be constructed. Quik Trip will provide future funding for the construction of the realigned roadway after the Town has obtained all necessary rights-of-way and easements. A motion was made by Vice Mayor McAchran and seconded by Councilmember Heustis to adopt Resolution No. 05-11, approving Purchase and Sale Agreement between the Town of Buckeye and the Miller Road Property, L.C., in connection with the Yuma Road Realignment project and authorizing the execution and delivery of said Agreement on behalf of the Town. Councilmember Strauss, Councilmember Orsborn, Councilmember Heustis, Vice Mayor McAchran and Mayor Meck voted aye. Councilmember Garza and Councilmember May voted nay. Motion carried.

- 7G. Action Resolution No. 07-11 Approving an Intergovernmental Agreement between the Town of Buckeye and the Arizona Department of Transportation (ADOT) for Bridge Inspection Services on Town of Buckeye Bridges in Accordance with the Requirements of the Federal Highway Administration (FHWA)**
Staff Liaison: Scott, Lowe, Public Works Director
District No. 3

Mr. Lowe provided Council an overview of the Intergovernmental Agreement with ADOT and was available to answer Council's questions. A motion was made by Councilmember Heustis and seconded by Councilmember Strauss to adopt Resolution No. 07-11, approving an Intergovernmental Agreement between the Town of Buckeye and the Arizona Department of Transportation (ADOT) for Bridge Inspection Services on Town of Buckeye bridges in accordance with the requirements of the Federal Highway Administration (FHWA). Motion passed unanimously.

- 7H. Action Approve Award of Contract No. DS-0111-CS-0220 to G and G Construction for Construction of Phase I – Alarcon & Kino Place Pedestrian Corridor in Valencia from Community Development Block Grant (CDBG) Funds**
Staff Liaison: Andrea, Marquez, Associate Planner
District No. 1

Ms. Marquez presented Council an overview of the Phase I – Alarcon and Kino Place Pedestrian Corridor project. A motion was made by Councilmember Orsborn and seconded by Councilmember Heustis to approve award of Contract No. DS-0111-CS-0220 to G and G Construction Company for construction of the Phase I – Alarcon & Kino Place Pedestrian Corridor in Valencia from Community Development Block Grant (CDBG) Funds. Motion passed unanimously.

- 7I. Action Resolution No. 03-11 Cable Television License Agreement between the Town of Buckeye and CoxCom, Inc.**
Staff Liaison: Cheryl Covert, Economic Development Coordinator
District No. All

Ms. Covert provided Council a brief overview of the Cable Television License Agreement. Mr. Michael Stoll, a representative of Cox Communication was in attendance and available to answer Council's questions. A motion was made by Councilmember Heustis and seconded by Councilmember Orsborn to adopt Resolution No. 03-11, approving an agreement between CoxCom, Inc. and the Town of Buckeye for a cable television license agreement for a term of ten (10) years, effective February 1, 2011 and ending at 11:59 p.m. on January 31, 2021. If prior to the expiration of this ten year term, CoxCom, Inc. completes the construction of a Secondary Telecommunications Center (STC) in the Town, intended to provide enhanced cable and communication services to the Town and surrounding communities, this Term shall automatically extend, without any further action required by the Town and CoxCom, Inc., for five (5) additional years, ending at 11:59 p.m. on January 31, 2026. Motion passed unanimously.

- 7J. Action Resolution No. 18-11 Sign Fabrication Intergovernmental Agreement between the Town of Buckeye and the Town of Gila Bend**
Staff Liaison: Scott Lowe, Public Works Director
District No. N/A

Mr. Lowe was available to answer Council's questions. A motion was made by Vice Chairman McAchan and seconded by Councilmember Strauss to adopt Resolution No. 18-11, approving the Intergovernmental Agreement (IGA) between the Town of Buckeye and the Town of Gila Bend for the purposes of Buckeye fabricating regulatory and other signs for Gila Bend in accordance with the terms of the IGA for annual revenue of approximately \$4,755.00. Motion passed unanimously.

8. Town Manager's Report

Please see attached Town Manager's report.

9. Comments from the Mayor and Council

Councilmember Garza – Commended the Police Department and their presence around town.
Councilmember Strauss – Commended Mrs. Charman for her years of service to the Town and Community Services for the Sundance Funraiser; a positive community event.
Councilmember May – Announced vacancies on the Airport Advisory Board and the Planning and Zoning Commission and encourage residents to participate.
Councilmember Orsborn – Valley Metro RPTA Board will meet this week and will update Council at next meeting. The Phase 1 Valencia contract award is a great example of projects being funded by CDAC.
Councilmember Heustis – Attended the CDAC meeting last week and looks forward to future funding capability. Thanked Charles Waters and Town staff of approximately 30 volunteers who devoted their time at the Sundance Funraiser.
Vice Mayor McAchran – None.
Mayor Meck – Announced that our bond rating is now A+ which is up from last year. Commended the Police Department for their professionalism and thanked everyone involved in the golf tournament at Sundance.

10. Adjournment

A motion was made by Councilmember May and seconded by Councilmember Heustis to adjourn the meeting at 7:33 p.m. Motion passed unanimously.

Jackie A. Meck, Mayor

ATTEST:

Lucinda J. Aja, Town Clerk

I hereby certify that the foregoing minutes are a true and correct copy of the Regular Council Meeting on the 18th day of January, 2011. I further certify that a quorum was present.

Lucinda J. Aja, Town Clerk

RESOLUTION NO. 02-11

A RESOLUTION OF THE BOARD OF DIRECTORS OF FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE, ARIZONA) AUTHORIZING THE ISSUANCE OF ITS ASSESSMENT DISTRICT NO. 7 SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2011, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$404,000; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST AND SECURITY AGREEMENT, A PURCHASE CONTRACT RELATING TO THE BONDS, A CONTINUING DISCLOSURE UNDERTAKING, A DISSEMINATION AGENCY AGREEMENT AND CERTAIN OTHER DOCUMENTS SECURING THE PAYMENT OF OR RELATING TO THE BONDS; AWARDED THE BONDS TO THE PURCHASER THEREOF; AND TAKING OTHER ACTIONS SECURING THE PAYMENT OF AND RELATING TO THE BONDS.

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

Section 1. Findings. (a) Pursuant to Title 48, Chapter 4, Article 6 of the Arizona Revised Statutes, as amended (the "*Enabling Act*"), the Waiver and Development Agreement described below and Resolution No. 05-10 adopted on December 7, 2010 (the "*Resolution of Intention*"), the Board of Directors (the "*Board*") of the Festival Ranch Community Facilities District (Town of Buckeye, Arizona) (the "*District*") has formed Assessment District No. 7 (the "*Assessment District*") and declared its intention to: (i) acquire or construct 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 (Town of Buckeye, Arizona) Waiver and Development Agreement recorded with the Maricopa County, Arizona, Recorder at Docket 20110159739 (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 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 or constructed 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 December 7, 2010, 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 Board adopted Resolution No. 06-10 on December 7, 2010 ordering the public infrastructure projects performed as described in the Resolution of Intention.

(e) Pursuant to and in reliance upon the Waiver Agreement, the Board adopted Resolution No. 01-11 on January 18, 2011, 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. 01-11, an assessment in the amount of \$404,000 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 Owners, 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 herein 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 an Indenture of Trust and Security Agreement, dated as of January 1, 2011, or such other date set forth in the Purchase Contract (the "*Indenture*"), from the District to Wells Fargo Bank, N.A., as trustee (the "*Trustee*"), to secure, and process the issuance, registration, transfer and payment and the disbursement and investment of proceeds of, the Bonds. (Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Indenture.) The District Board has determined by this Resolution to authorize the issuance of the Bonds and, in order to provide terms for, to secure, and to provide for authentication and delivery of the Bonds by the Trustee, to authorize the execution and delivery of the Indenture. The Board hereby determines that the Bonds shall be privately placed with Qualified Investors as such term is defined in the Indenture. (The original purchaser of the Bonds shall be referred to as the "Original Purchaser.")

(j) There have been placed on file with the District Clerk and presented in connection herewith (1) the proposed form of the Indenture, (2) the proposed form of Continuing Disclosure Undertaking relating to the Bonds, to be dated the date of delivery thereof (the "*Undertaking*"); and (3) the proposed form of Dissemination Agency Agreement by and between the District and Stone & Youngberg LLC, or such other party acceptable to the District, to be dated January 1, 2011 or such other date determined as hereinafter provided (the "*Agency Agreement*"). (The documents described in Clauses (1) through (3), inclusive, of this paragraph are hereinafter referred to, collectively, as the "*Bond Documents*"). Documents numbered 2 and

3 above may be disregarded if Rule 15c2-12 is not applicable to the private placement of the Bonds.

(k) The Board hereby finds and determines that: (1) 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"); (2) the total Costs are less than or equal to the benefits derived from the Project; and (3) based upon the 2011 full cash value of the assessed parcels in the amount of \$4,406,200 by the Maricopa County Assessor dated November 1, 2010, 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.

Section 2. Approval of Issuance and Sale of Bonds. The Bonds are hereby authorized to be issued as a series of assessment bonds of the District to be designated "*Assessment District No. 7 Special Assessment Revenue Bonds, Series 2011.*" The Bonds shall be issued and delivered in an aggregate principal amount of not to exceed \$404,000, shall be in fully registered form only, shall be dated as of January 1, 2011 or such other date as provided in the Indenture, shall bear interest at the rate or rates set forth in the Indenture (not to exceed 10%) from their date, with such other terms as set forth in the Indenture. The costs of issuance shall not exceed the aggregate amount presented in the Report.

The principal amount maturing in any year, the interest rates applicable to each maturity, the special, optional and mandatory redemption provisions and any other final terms of the Bonds and the Bond Documents and the purchase price of the Bonds to be paid by the Original Purchaser for the Bonds shall be as set forth in the Indenture and the closing documents and approved by the District Chairman or any other member of the Board or the District Treasurer, such approval to be evidenced by the execution and delivery of the Indenture. Subject to the approval of the final terms of the Bonds previously referenced, the Bonds will be awarded and sold to the Original Purchaser in accordance with the terms of the Indenture.

Section 3. Forms, Terms and Provisions, and Execution and Delivery, of Bonds. The forms, terms and provisions of the Bonds provided for in the Indenture are approved, with only such changes therein as are not inconsistent herewith and as are approved by the officers authorized in the Indenture to execute the Bonds or the District Treasurer and each is hereby authorized to execute and deliver them.

Section 4. Forms, Terms and Provisions, and Execution and Delivery, of Bond Documents and Other Agreements. The terms and provisions of the Bond Documents in substantially the forms of such documents (including the exhibits thereto) presented at this meeting, are adopted and approved, with such insertions, deletions and changes as are not inconsistent herewith and as are approved by the officer authorized to execute the documents, which approval will be conclusively demonstrated by the execution thereof, and the District Chairman or any member of the Board, the District Treasurer and the District Clerk or either of such officers are hereby authorized to execute and deliver the Bond Documents.

Section 5. Authorization to Execute and Deliver Order to Trustee. The District Chairman, the District Treasurer, or any other member of the Board is authorized to

execute and deliver to the Trustee the written order of the District for the authentication and delivery of the Bonds by the Trustee.

Section 6. Other Actions Necessary. The District Chairman or any member of the Board, the District Treasurer, the District Clerk, the District Manager and the officers of the District, without further order of the Board, shall take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated by the Bond Documents, and other documents and certificates required to be delivered in connection with the sale and delivery of the Bonds. The District Manager is hereby requested to take any and all actions necessary in connection with the execution and delivery of the Bond Documents and the sale of the Bonds.

Section 7. Qualified Investors. The Bonds shall be sold to and owned by only Qualified Investors as set forth in the Indenture. 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.

Section 8. Assessment Levy and Procedures. (a) An assessment in the amount of \$404,000 was levied and recorded in the office of the Superintendent of Streets for the District against the parcels of real property comprising the real property in the Assessment District and described in the Resolution of Intention, such levy and recordation is authorized and approved. No cash payments of the assessments were received.

(b) For each year while any Bond is outstanding, the Board shall semi-annually cause to be collected such portion of the assessment, sufficient, together with any moneys from any sources in the Enabling Act and under the Indenture, to pay Debt Service on the Bonds when due. Moneys received from the collection of the assessment when collected constitute funds to pay Debt Service and shall be kept separately from other funds in the Bond Fund of the District. The amounts due pursuant to the assessment and unpaid are and shall be a first lien on the property so assessed in the Assessment District, subject only to general property taxes and prior special assessments and shall be collected as prescribed by Sections 48-599 and 600, Arizona Revised Statutes, as amended, as nearly as practicable or such other procedures as the Board may prescribe. Notwithstanding the foregoing, the assessments may be collected by the Maricopa County Treasurer in a similar manner and together with the collection of real property taxes, should the Treasurer of the District so direct. In the event of nonpayment of amounts due pursuant to the assessment, the procedures for collection of delinquent amounts and sale of delinquent property prescribed by Sections 48-601 through 48-607, Arizona Revised Statutes, as amended, apply, as nearly as practicable, except that neither the District nor the Town of Buckeye, Arizona (the "Town") is required to purchase the delinquent land at the sale if there is no other purchaser.

(c) Pursuant to A.R.S. § 48-721, the provisions and procedures pertaining to the prepayment of assessments, the payment of assessments and the reallocation and modification of assessments among the assessed parcels as development occurs, set forth in the Indenture and the Report are hereby approved and adopted.

Section 9. No Obligation of Town. Nothing contained in this resolution, the Bond Documents or any other instrument shall be construed as obligating the Town 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 Town and the State nor shall the breach of any agreement contained herein, the Bond Documents or any other instrument or documents executed in connection therewith impose any charge upon the general credit of the Town and the State.

Section 10. Appointment of Trustee, Superintendent of Streets, District Engineer, Assessment District Engineer and Dissemination Agent.

(a) Wells Fargo Bank, N.A., is hereby confirmed as Trustee, Registrar and Paying Agent for the purpose of the Indenture. The Board hereby requests the Trustee to take any and all action necessary in connection with the execution and delivery of the Bond Documents and the execution, delivery and sale of the Bonds and to perform the duties described in the Indenture.

(b) W. C. Scoutten, Inc. ("Scoutten") is hereby confirmed and employed as Assessment District Engineer and Superintendent of Streets for the assessment district. Scoutten is employed as the Assessment District Engineer to perform the duties described in the Enabling Act, Resolution of Intention, the Indenture and the Assessment District Engineer Agreement.

(c) Scoutten is hereby confirmed and employed as the District Engineer (as defined in the Resolution of Intention) to perform the duties described in the Enabling Act, the Resolution of Intention and the Indenture.

(d) Stone & Youngberg LLC, or such other party acceptable to the District Treasurer, is hereby confirmed and appointed the dissemination agent, solely for the purposes of providing certain periodic information to the owners of the Bonds, pursuant to the terms of the Dissemination Agency Agreement.

Section 11. Repeal of Resolution. After any of the Bonds are delivered by the Trustee to the Underwriter upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the Bonds and the interest thereon shall have been fully paid, canceled and discharged.


Section 12. Severability; Amendment. (a) If any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

(b) This resolution may only be amended as provided by the terms of the Indenture.

Section 13. Effective Date. This resolution shall be effective immediately.

PASSED AND ADOPTED by the Board of Directors of Festival Ranch Community Facilities District (Town of Buckeye, Arizona) on January 18, 2011.

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



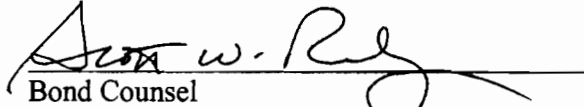
Chairman, Board of Directors

ATTEST:



Clerk, Board of Directors


APPROVED AS TO FORM:



Bond Counsel

CERTIFICATE

I hereby certify that the above and foregoing Resolution No. 02-11 was duly passed by the Board of Directors of the Festival Ranch Community Facilities District (Town of Buckeye, Arizona) at a regular meeting held on _____ and that a quorum was present thereat and that the vote thereon was 7 ayes and 0 nays; 0 did not vote or were absent.



Clerk

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

and

WELLS FARGO BANK, N.A.

as Trustee

INDENTURE OF TRUST

AND

SECURITY AGREEMENT

Dated as of April 1, 2011

**FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 7
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2011**

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THIS INDENTURE OF TRUST AND SECURITY AGREEMENT, dated as of April 1, 2011 (hereinafter referred to as this "*Indenture*"), from Festival Ranch Community Facilities District (Town of Buckeye, Arizona), a community facilities district formed by the Town of Buckeye, Maricopa County, Arizona, and duly organized and validly existing, pursuant to the laws of the State of Arizona (hereinafter together with its successors referred to as the "*Issuer*"), to Wells Fargo Bank, N.A., a national banking association with trust powers, as trustee (hereinafter together with any successor to the trust herein granted referred to as the "*Trustee*"),

WITNESSETH:

WHEREAS, pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended (hereinafter referred to as the "*Enabling Act*"), the district board of the Issuer (hereinafter referred to as the "*Board*") adopted on December 7, 2010, Resolution No. 05-10 (hereinafter referred to as the "*Resolution of Intention*") wherein the Issuer formed Festival Ranch Community Facilities District (Town of Buckeye, Arizona) Assessment District No. 7 (hereinafter referred to as the "*Assessment District*") and declared its intention to: (i) acquire or construct certain public infrastructure improvements; (ii) assess the costs of said improvements upon certain real property within the boundaries of the Issuer; and (iii) issue special assessment revenue bonds to finance the costs of the acquisition and construction of the public infrastructure improvements and purposes; and

WHEREAS, in the Resolution of Intention the Board declared its intent to issue special assessment revenue bonds of the Issuer to provide moneys for any "public infrastructure purposes" (as such term is defined in the Enabling Act) consistent with the General Plan for the Festival Ranch Community Facilities District (Town of Buckeye, Arizona) filed with the Clerk of the Town of Buckeye, Arizona (hereinafter referred to as the "*General Plan*"); and

WHEREAS, pursuant to Resolution No. 02-11 of the Board adopted on January 18, 2011 (hereinafter referred to as the "*Bond Resolution*"), the Board has authorized the issuance and sale of not to exceed \$404,000 aggregate principal amount of special assessment revenue bonds described herein (hereinafter referred to as the "*Bonds*") to provide funds for the public infrastructure purposes provided for in the Enabling Act, the General Plan, the Resolution of Intention and in the hereinafter described Development Agreement; and

WHEREAS, pursuant to the Enabling Act and Section 9-500.05, Arizona Revised Statutes, as amended, the Issuer, the Town of Buckeye, Arizona, a municipality duly incorporated and validly existing under the laws of Arizona, Pulte Home Corporation, a Michigan corporation (the "*Owner*"), having an interest in real property within the boundaries of the Issuer, have entered into a Development, Financing Participation and Intergovernmental Agreement No. 1 for Festival Ranch Community Facilities District (Buckeye, Arizona), dated as of April 21, 2005 (hereinafter referred to as the "*Development Agreement*"), as a "development agreement" to specify, among other things, conditions, terms, restrictions and requirements for "public infrastructure" (as such term is defined in the Enabling Act) and the financing of public infrastructure; and

WHEREAS, the Issuer and the Owner (the "*Assessment District No. 7 Owner*") have entered into the Festival Ranch Community Facilities District (Town of Buckeye, Arizona) Waiver and

Development Agreement, recorded in the Maricopa County Recorder's office on February 23, 2011, at Docket 2011 0159739 (hereinafter referred to as the "*Waiver Agreement*"); and

WHEREAS, in reliance upon the Waiver Agreement, the Board on January 18, 2011 has by Resolution No. 01-11 approved the assessment prepared by the Assessment District Engineer and ratified the recording of the assessment against the real property in the Assessment District, the assessment was prepared and the Superintendent of Streets has executed and the Chairman of the Board has countersigned a warrant to collect the assessment, and the assessment was recorded in the office of the Superintendent of Streets against the real property in the Assessment District on March 23, 2011; and

WHEREAS, pursuant to the Waiver Agreement, demand for payment of the assessment was waived by the Assessment District Owners of the real property against which the assessment was levied; and

WHEREAS, no partial payments of the assessments levied against the parcels within the Assessment District were made, and the warrant and assessment have been returned and the Assessment District Owners of such real property have stated their desire to allow the remaining unpaid assessments to go to bond; and

WHEREAS, Section 48-721, Arizona Revised Statutes, provides that special assessment lien 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, a certified list has been filed with the Clerk of the Issuer by the Treasurer of the Issuer and the Board may now cause Bonds in the principal amount of the unpaid assessments to be issued; and

WHEREAS, pursuant to the Enabling Act, the Issuer has entered into this Indenture to secure, and process the issuance, registration, transfer and payment and the disbursement and investment of proceeds of the Bonds; and

WHEREAS, the Board has by the Bond Resolution duly authorized the issuance of the Bonds and, in order to provide terms for, to secure, and to provide for authentication and delivery of the Bonds by the Trustee, has duly authorized the execution and delivery of this Indenture; and

WHEREAS, all things have been done which are necessary to make the Bonds, when executed by the Issuer (or, as to any Bonds issued in exchange therefor or in lieu or upon transfer thereof, authenticated and delivered by the Trustee hereunder), valid special limited obligations of the Issuer, and to constitute this Indenture a valid security agreement, collateral assignment, and contract for the security of the Bonds, in accordance with the terms thereof and of this Indenture;

GRANTING CLAUSES

NOW, THEREFORE, THIS INDENTURE WITNESSETH that, to secure, except as otherwise provided herein, the payment of the principal of and interest on the Outstanding Secured Bonds (hereinafter defined) and the performance of the covenants therein and herein contained and to declare the terms and conditions on which the Outstanding Secured Bonds are secured, and in consideration of the premises and of the purchase of the Bonds by the holders thereof, the Issuer by these presents does grant, bargain, sell, release, convey, collaterally assign, transfer, mortgage, hypothecate, pledge, set over, and confirm to the Trustee, forever, all and singular the following described properties, and grants a security interest therein for the purposes herein expressed, to-wit:

GRANTING CLAUSE FIRST

All money and investments held for the credit of the Bond Fund established with the Trustee as hereinafter described shall be to secure only the payment of the principal of and interest on the Outstanding Secured Bonds (hereinafter defined) but excluding any money in the Rebate Fund: and

GRANTING CLAUSE SECOND

The Issuer's interest in all money and investments held for the credit of the Issuance and Expenses Fund and the Reserve Fund established with the Trustee as hereinafter described;

TO HAVE AND TO HOLD all said property of every kind and description, real, personal, or mixed, hereby and hereafter (by supplemental indenture or otherwise) granted, bargained, sold, assigned, released, conveyed, collaterally assigned, transferred, mortgaged, hypothecated, pledged, set over, or confirmed as aforesaid, or intended, agreed, or covenanted so to be, together with all the appurtenances thereto appertaining (said properties together with any cash and securities hereafter deposited or required to be deposited with the Trustee (other than any such cash which is specifically stated herein not to be deemed part of the Trust Estate) being herein collectively referred to as the "*Trust Estate*"), unto the Trustee and its successors and assigns forever;

BUT IN TRUST, NEVERTHELESS, for the equal and proportionate benefit and security of the holders from time to time of all the Outstanding Secured Bonds without any priority of any such Bond over any other such Bond and to secure the observance and performance of all terms, covenants, conditions, agreements and obligations of the Issuer hereunder, except as herein otherwise expressly provided;

UPON CONDITION that, if the Issuer, its successors or assigns shall well and truly pay the principal of and interest on the Outstanding Secured Bonds according to the true intent and meaning thereof, or there shall be deposited with the Trustee or a Paying Agent such amounts in such form in order that none of the Bonds shall remain Outstanding as herein defined and provided, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof and the observance or performance of all terms, covenants, conditions, agreements and obligations hereunder, then upon the full and final payment of all such sums and amounts secured hereby, or upon such deposit, this Indenture and the rights, titles, liens, security interests, and assignments herein granted shall cease, determine, and be void and this Indenture shall be released by the Trustee in due form

at the expense of the Issuer, except only as herein provided and otherwise this Indenture to be and remain in full force and effect;

AND IT IS HEREBY COVENANTED AND DECLARED that all the Bonds are to be authenticated and delivered and the Trust Estate is to be held and applied by the Trustee, subject to the further covenants, conditions, and trust hereinafter set forth, and the Issuer hereby covenants and agrees to and with the Trustee, for the equal and proportionate benefit of all Holders of the Outstanding Secured Bonds except as herein otherwise expressly provided, as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1. Definitions. For all purposes hereof, except as otherwise expressly provided or unless the context otherwise requires:

A. The terms defined in this Article, except when used in the forms set forth in Article Two, have the meanings assigned to them in this Article and include the plural as well as the singular.

B. All references in this instrument to designated "Articles," "Sections," and other subdivisions are to the designated Articles, Sections, and other subdivisions of this instrument as originally executed.

C. The words "herein," "hereof," and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section, or other subdivision.

"*Acquisition and Construction Fund*" means the fund of the Issuer so defined in Section 5.3.

"*Act*" when used with respect to any Bondholder or Bondholders has the meaning stated in Section 1.2.

"*Assessment*" means the assessment or assessments and corresponding lien or liens levied on the lots and parcels of real property within the Assessment District for the purposes of securing the Bonds, as authorized by the adoption by the Board of Resolution No. 08-09 on October 20, 2009 and as evidenced by the recording of the assessment diagram and the assessment for the Assessment District with the Superintendent of Streets of the Issuer.

"*Assessment District*" means the real property in Assessment District No. 6 (including any real property which may hereafter be added and excluding any real property which may hereafter be deleted) subject to the lien of the Assessment.

"*Assessment District Engineer*" means an engineer or engineering firm employed to: (i) prepare the plans and specifications required to acquire and construct the Project; (ii) supervise and monitor the acquisition and construction of the Project to assure completion of the Project in conformity

with the final plans and specifications; and (iii) perform and carry out duties imposed on the Assessment District Engineer by this Indenture. The Assessment District Engineer may also serve as Superintendent of Streets but shall not also serve as the District Engineer. Initially, the Assessment District Engineer and Superintendent of Streets shall be W. C. Scoutten, Inc.

"*Authorized Denomination*" means \$1,000 of principal amount and multiple integrals thereof.

"*Beneficial Owner*" means the owner of any beneficial interest in any Book-Entry Bond as shown on the records of any Direct or Indirect Participant.

"*Board*" means the District Board of Directors of the Issuer.

"*Board Resolution*" means a resolution of the Board certified by the District Clerk to be in full force and effect on the date of such certification and delivered to the Trustee.

"*Bond Counsel*" means a firm of attorneys of national reputation experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds, acceptable to the Trustee and the Issuer.

"*Bond Fund*" means the fund of the Issuer so defined in Section 5.1.

"*Bond Register*" has the respective meaning stated in Section 3.4.

"*Bond Resolution*" means the Board Resolution No. 02-11 adopted on January 18, 2011, which, among other things provided for the issuance of the Bonds.

"*Bondholder*" means a Holder of a Bond.

"*Bonds*" means all bonds authenticated and delivered hereunder.

"*Book-Entry Bonds*" means, initially, all Bonds and such other portion of Bonds which are hereafter designated by the Issuer as Book-Entry Bonds.

"*Business Day*" means any day other than a Saturday; a Sunday; or a legal holiday or equivalent (other than a moratorium) for banking institutions generally in the Place of Payment or in the city where the principal corporate trust office of the Trustee is located.

"*Closing Date*" means the date of the authentication and delivery of the Bonds to the original purchaser.

"*Code*" means the Internal Revenue Code of 1986, as amended and in force and effect on the Closing Date.

"*Completion Date*" means the date of completion of the Project as established pursuant to Section 5.4.C.

"*Costs of Acquisition and Construction*" means all items of expense directly or indirectly relating to the cost of the acquisition and construction of the Project and all incidental expenses, including, but not limited to: (i) engineering expenses; (ii) legal expenses; (iii) printing, posting, publication and mailing expenses; (iv) fees and expenses incurred in making surveys, studies and estimates of costs; and (v) such other costs and expenses eligible for payment from the proceeds of the Bonds under the Enabling Act, including but not limited to, the Costs of Issuance not paid from proceeds of the Issuance and Expenses Fund.

"*Costs of Issuance*" means all items of expense directly or indirectly payable by or reimbursable to the Issuer relating to the execution, sale and delivery of the Bonds and the execution and delivery of this Indenture, including but not limited to, filing and recording costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Trustee, Paying Agent and Registrar, legal fees and charges, financial and other professional consultant fees, fees for execution, transportation and safekeeping of the Bonds, appraisal and charges and fees in connection with the foregoing as well as costs relating to the levy and collection of all Assessments.

"*Debt Service*" means, with reference to a specified period, collectively, (i) the scheduled payments of principal of and interest on the Bonds for such period; (ii) fees and costs of registrars, Trustees or Paying Agents or other agents necessary under this Indenture to handle the Bonds for such period; and (iii) amounts due with regard to Rebate for such period.

"*Defaulted Interest*" has the meaning stated in Section 3.7.B.

"*Development Agreement*" means that certain Development, Financing Participation and Intergovernmental Agreement No. 1 for Festival Ranch Community Facilities District (Buckeye, Arizona) dated as of April 21, 2005, by and among the Municipality, the Issuer and the Owner.

"*Direct Participant*" or "*DTC Participant*" means any broker-dealer, bank or other financial institution for which the DTC holds Book-Entry Bonds from time to time as a securities depository.

"*Disbursement Request*" means the form of Issuer Request described in Section 5.4.B.

"*District Engineer*" means an independent engineer or engineering firm or corporation employed by the Issuer to (i) supervise and monitor the performance of the Assessment District Engineer, and (ii) perform and carry out duties imposed on the District Engineer hereby.

"*DTC*" means The Depository Trust Company, the securities depository for the Book-Entry Bonds, or any other Securities Depository (as defined in Section 3.4(H)) of the Bonds.

"*DTC Program*" means a book-entry-only system of registration of the Bonds with DTC.

"*Enabling Act*" means Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended.

"*Fiscal Year*" means the period beginning on July 1 of any year and ending on June 30 of the next succeeding year.

"Governmental Obligations" means only obligations set forth in paragraphs (A) and (B) of the definition of Permitted Investments, which are not subject to redemption in advance of maturity at the option of the obligor thereon, and only the interest component of Resolution Funding Corp. (REFCORP) strips which have been stripped by request to the Federal Reserve Bank of New York and are held in book entry form.

"Holder" means, when used with respect to any Bond, the Person in whose name such Bond is registered in the Bond Register.

"Indenture" means this instrument as originally executed or as it may from time to time be supplemented, modified, or amended by one or more indentures or other instruments supplemental hereto entered into pursuant to the applicable provisions hereof.

"Indirect Participant" means any financial institution for whom any Direct Participant holds an interest in a Book-Entry Bond.

"Interest Account" means the account of the Issuer so defined in Section 5.1.B.(2).

"Interest Payment Date" means each January 1 and July 1 commencing July 1, 2011.

"Issuance and Expenses Fund" means the fund of the Issuer so defined in Section 5.5.

"Issuer" means Festival Ranch Community Facilities District (Town of Buckeye, Arizona), a community facilities district formed by the Town of Buckeye, Arizona, and duly organized and validly existing, pursuant to the laws of the State.

"Issuer Request" means a written request signed in the name of the Issuer by either the Chairman of the Board, the District Manager, the District Clerk or a Responsible Officer of the Issuer and delivered to the Trustee.

"Maturity" means, when used with respect to any Bond, the date on which the principal of such Bond becomes due and payable as stated therein or herein provided, whether at the Stated Maturity thereof or by call for redemption or otherwise.

"Maximum Annual Debt Service" means, at the time of computation, the greatest annual Debt Service requirements of the Bonds occurring in the then-current, or any subsequent, Fiscal Year. When computing Maximum Annual Debt Service, Bonds subject to mandatory redemption shall be treated as maturing on the date such mandatory redemption is to occur.

"Moody's" means Moody's Investors Service or any entity succeeding to the duties and obligations thereof.

"Municipality" means the Town of Buckeye, Arizona.

"Officers' Certificate" means a certificate signed by the District Manager of the Issuer or other Responsible Officer and delivered to the Trustee.

"*Opinion of Counsel*" means a written opinion of counsel who may (except as otherwise expressly provided herein) be counsel for the Issuer and shall be acceptable to the Trustee and, when given with respect to the status of interest on any Bond under the Code, shall be counsel of nationally recognized standing in the field of municipal bond law and when given with respect to the status of any matter relating to the laws on bankruptcy, shall be counsel of nationally recognized standing in the field of bankruptcy law.

"*Original Purchaser*" means the initial Qualified Investors purchasing the Bonds.

"*Outstanding*" means, when used with respect to Bonds, as of the date of determination, all Bonds theretofore authenticated and delivered under this Indenture, except, without duplication:

(1) Bonds theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(2) Bonds for the payment or redemption of which money in the necessary amount is on deposit with the Trustee or any Paying Agent for the Holders of such Bonds at the Maturity thereof; provided, however, that if such Bonds are to be redeemed, notice of such redemption has been duly given pursuant hereto, or waived, or provision therefor satisfactory to the Trustee has been made;

(3) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under this Indenture:

(4) Bonds alleged to have been destroyed, lost, or stolen which have been paid as provided in Section 3.6; and

(5) Bonds for the payment of the principal of and interest on which money or Governmental Obligations or both are held by the Trustee or a Paying Agent with the effect specified in Section 6.2.

"*Outstanding Secured Bonds*" means, as of the date of determination, (1) all Bonds then Outstanding and (2) all Bonds, if any, alleged to have been destroyed, lost, or stolen which have been replaced or paid as provided in Section 3.6 but whose ownership and enforceability by the Holder thereof have been established by a court of competent jurisdiction or other competent tribunal or otherwise established to the satisfaction of the Issuer and the Trustee.

"*Paying Agent*" means the Trustee and any other Person authorized by the Issuer to pay the principal of and interest and premium, if any, on any Bonds on behalf of the Issuer.

"*Person*" means any individual, corporation, limited liability corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

"*Permitted Investments*" means any of the following; provided, however, any of the following which require a rating and satisfy such rating requirement shall not be a Permitted Investment if the rating is subject to any "credit watch with negative implications" by S&P or "under review for possible

downgrade" by Moody's or any other notice from a Rating Agency indicating a potential downgrade or withdrawal:

A. Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury) or obligations the principal of and interest on which are unconditionally guaranteed by the United States.

B. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America:

1. *U.S. Export-Import Bank*
Direct obligations or fully guaranteed certificates of beneficial ownership.
2. *Farmers Home Administration*
Certificates of beneficial ownership
3. *Federal Financing Bank*
4. *Federal Housing Administration Debentures*
5. *General Services Administration*
Participation certificates
6. *Government National Mortgage Association*
("GNMA")
Guaranteed mortgage-backed bonds
Guaranteed pass-through obligations
7. *U.S. Maritime Administration*
Guaranteed Title XI financing
8. *New Communities Debentures*
U.S. government guaranteed debentures
9. *U.S. Public Housing Notes and Bonds*
U.S. government guaranteed public housing notes and bonds
10. *U.S. Department of Housing and Urban Development*
Project Notes Local Authority Bonds

C. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following United States government agencies (non-full faith and credit agencies):

1. *Federal Home Loan Bank System*
Senior debt obligations
2. *Federal Home Loan Mortgage Corporation*
Participation Certificates and senior debt Obligations
3. *Federal National Mortgage Association ("FNMA")*
Mortgage-backed securities and senior debt obligations
4. *Student Loan Marketing Association*
Senior debt obligations

D. Money market funds, including mutual funds of the Trustee and any affiliate of the Trustee, registered with the Securities and Exchange Commission (SEC), meeting the requirements of Rule 2a(7) under the Investment Company Act of 1940, and having a rating by S&P of AAAM-G; AAAM; or AAM or better and having a rating by Moody's of "VMIG-1" or better.

E. Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by the Federal Deposit Insurance Company.

F. Investment agreements provided by entities with ratings on their long term obligations or claims paying ability of "AA" or better by S&P and "Aa" or better by Moody's and required to be collateralized to the then current requirements of S&P to always have a rating of at least "A" and the then current requirement of Moody's to have a rating of at least "A". An investment agreement may not be amended, and no investment agreement may be entered into in substitution for an investment agreement under each Rating Agency which has rated the Bonds has confirmed that the rating of such Rating Agency will not be withdrawn or lowered upon the effective date of such amendment or substitute investment agreement.

G. Commercial paper rated, at the time of purchase, "A-1" or better by S&P and Moody's.

H. Bonds or notes issued by any state or municipality which are rated by S&P in one of the two highest rating categories assigned by such agencies.

I. Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "A-1" or "A" or better by S&P and "P-1" by Moody's.

J. Repurchase agreements providing for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the Issuer (buyer/lender), and the transfer of cash from the Issuer to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the Issuer in exchange for the securities at a specified date.

Repurchase Agreements must satisfy the following criteria.

1. *Repurchase Agreements must be between the Issuer and a dealer bank or securities firm*
 - a. *Primary dealers on the Federal Reserve reporting dealer list, or*
 - b. *Banks rated "A" or above by S&P and rated "A" or above by Moody's.*
2. *The written Repurchase Agreement contract must include the following:*
 - a. *Securities which are acceptable for transfer are:*
 - (1) *Direct United States government, or*
 - (2) *Federal agencies backed by the full faith and credit of the United States government*
 - b. *The term of the Repurchase Agreement may be up to 30 days*
 - c. *The collateral must be delivered to the Issuer, the Trustee (if the Trustee is not supplying the collateral) or a third party acting as agent for the Trustee (if the Trustee is supplying the collateral) before or simultaneous with payment (perfection by possession of certificated securities)*
 - d. *Valuation of Collateral*
 - (1) *The securities must be valued weekly, marked-to market at current market price plus accrued interest*
 - (a) *The value of collateral must be equal to 103% of the amount of cash transferred by the Issuer to the dealer bank or security firm under the Repurchase Agreement plus accrued interest. If the value of securities held as collateral slips below 103% of the value of the cash transferred by the Issuer, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA, then the value of collateral must equal 105%.*
3. *Legal opinion which must be delivered to the municipal entity:*
 - a. *The Repurchase Agreement meets guidelines under state law for legal investment of public funds.*

K. "REFCORP STRIPS" - obligations, representing interest on obligations of the Resolution Funding Corporation, the payment of such interest, if other revenues are insufficient, is

required to be paid from the United States Treasury, which interest obligations are stripped by the Federal Reserve Bank of New York.

L. The Local Government Investment Pool, managed by the State Treasurer.

(If any security or Permitted Investment for which a rating level is required is on "credit watch," "negative outlook," or similar status indicating a possible reduction in rating, it shall be treated as not having the rating required.)

"*Place of Payment*" means the designated corporate trust office of the Paying Agent.

"*Pledged Revenues*" means, with respect to the Bonds: (a) all money and investments in the Bond Fund; (b) the Issuer's interest in all money and investments in the Issuance and Expenses Fund and the Reserve Fund; and (c) any and all property that may, from time to time hereafter, be delivered by the Issuer or by anyone on its behalf, to the Trustee in order to be subjected to the lien and security interest hereof.

"*Predecessor Bonds*" of any particular Bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by such particular Bond, and, for purposes of this definition, any Bond authenticated and delivered under Section 3.6 in lieu of a mutilated, lost, destroyed, or stolen Bond shall be deemed to evidence the same debt as the mutilated, lost, destroyed, or stolen Bond.

"*Prepayment Account*" means the account of the Issuer so defined in Section 5.1.B.(3).

"*Principal Account*" means the account of the Issuer so defined in Section 5.1.B.(1).

"*Project*" means, collectively, the project as defined and described in the Resolution of Intention, as thereafter amended or supplemented by the Board.

"*Qualified Investor*" means the Person meeting the qualifications set forth in the Certificate of Qualified Investor" set forth in Section 2.3 hereof.

"*Rating Agency*" means Moody's or S&P.

"*Rebate*" means the rebate requirement set forth in the tax certificate delivered in connection with the delivery of the Bonds.

"*Rebate Fund*" means the fund of the Issuer so defined in Section 10.19.B.

"*Record Date*" means the Regular Record Date or the Special Record Date, as applicable.

"*Redemption Date*" when used with respect to any Bond to be redeemed means the date fixed for such redemption pursuant to the terms thereof and this Indenture.

"*Redemption Price*" when used with respect to any Bond to be redeemed means the price at which it is to be redeemed pursuant to this Indenture, excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

"*Regular Record Date*" for the interest payable on the Bonds on any Interest Payment Date means the fifteenth (15th) day (whether or not a Business Day) of the calendar month immediately preceding the month in which such Interest Payment Date occurs.

"*Reimbursed Person*" means the Person set forth in Section 5.4.B.

"*Representation Letter*" shall mean letters to, or agreements with, a depository for Book-Entry Bonds to effectuate a book entry system with respect to certain Bonds registered in the Bond Register under the nominee name of the depository.

"*Reserve Fund*" means the fund of the Issuer so defined in Section 5.7.

"*Reserve Fund Requirement*" means the lesser of: (i) ten percent (10%) of the outstanding principal amount of the Bonds; (ii) an amount equal to the Maximum Annual Debt Service; or (iii) such amount as required by the Code to obtain or maintain the exclusion of interest from gross income for federal income tax purposes for the Bonds, as permitted by the Trustee pursuant to an opinion of Bond Counsel.

"*Resolution of Intention*" means District Resolution No. 05-10 adopted on December 7, 2010.

"*Responsible Officer*" means the chairman or vice chairman of the board of directors of the relevant entity, the clerk or assistant clerk of the board of directors, the chairman or vice chairman of the executive committee of said board, the president, any vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, the cashier, any assistant cashier, any trust officer or assistant trust officer, the controller, any assistant controller, or any other officer or authorized Person of the relevant entity customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer of the relevant entity to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"*S&P*" means Standard & Poor's Ratings Services, A division of The McGraw-Hill Companies, Inc., or any entity succeeding to the duties and obligations thereof.

"*Special Record Date*" has the meaning stated in Section 3.7.

"*State*" means the State of Arizona.

"*Stated Maturity*" when used with respect to any Bond or any installment of interest on any Bond means the date specified in such Bond as the fixed date on which the principal or such installment of interest on any such Bond is due and payable, including any fixed date for a mandatory redemption.

"*Trustee*" means the Person named as the "*Trustee*" in the first paragraph of this instrument until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "*Trustee*" means such successor Trustee.

"*Trust Estate*" has the meaning stated in the *habendum* to the Granting Clauses.

Section 1.2. Acts of Bondholders.

A. Any request, demand, authorization, direction, notice, consent, waiver, or other action provided by this Indenture to be given or taken by Bondholders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Bondholders in person or by an agent duly appointed in writing, and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Bondholders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose hereof and conclusive in favor of the Issuer and (subject to Section 8.1) the Trustee, if made in the manner provided in this Section.

B. The fact and date of the execution by any Bondholder of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Whenever such execution is by an officer of a corporation or a member of a partnership on behalf of such corporation or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of execution of any such instrument or writing and the authority of any Person executing as or on behalf of any Bondholder may also be proved in any other manner which the Trustee deems sufficient.

C. The ownership of any Bond shall be proved by the Bond Register.

D. Any request, demand, authorization, direction, notice, consent, waiver, or other action by the Holder of any Bond shall bind every future Holder of the same Bond and the Holder of every Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Issuer, whether or not notation of such action is made upon such Bond.

Section 1.3. Notices, etc.

A. Unless otherwise specifically provided herein, any request, demand, authorization, direction, notice, consent, waiver, or Act of Bondholders or other document provided or permitted hereby by any Bondholder, the Issuer, or the Trustee to be made upon, given or furnished to, or filed with,

1. the Trustee shall be sufficient for every purpose hereunder if made, given, furnished, or filed in writing to or with the Trustee at its principal corporate trust office or if in writing and mailed, first-class postage prepaid, to the Trustee addressed to it at 100 West Washington Street, 22nd Floor, Phoenix, Arizona 85003, Attn: Ms. Nancy Eatros, or at any other address furnished in writing to such Person by the Trustee, or

2. the Issuer shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to the Issuer addressed to it at 530 E. Monroe, Buckeye, Arizona 85326, Attention: District Clerk; with a copy to Gust Rosenfeld P.L.C., One E. Washington Street, Suite

1600, Phoenix, Arizona 85004-2553, Attention: Mr. Scott W. Ruby; or at any other address previously furnished in writing to such Person by the Issuer.

B. Where this Indenture provides for notice to Bondholders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Bondholder affected by such event, at the address of such Bondholder as it appears in the Bond Register for the Bonds. Neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Bondholder shall affect the sufficiency of such notice with respect to other Bondholders.

C. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Bondholders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 1.4. Form and Contents of Documents Delivered to the Trustee.

A. Whenever several matters are required to be certified by, or covered by an opinion of, any specified type of Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

B. Any certificate or opinion of a Responsible Officer of the Issuer may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that such certificate or opinion or representations are erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, a Responsible Officer or Responsible Officers of the Issuer stating that the information with respect to such factual matters is in the possession of the Issuer unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

C. Whenever any Person is required to make, give, or execute two or more applications, requests, consents, certificates, statements, opinions, or other instruments hereunder, they may, but need not, be consolidated and form one instrument.

D. In connection with any application or certificate or report to the Trustee, wherever it is provided herein that the Issuer shall deliver any document as a condition of the granting of such application, or as evidence of compliance by the Issuer with any term hereof, it is intended that the truth and accuracy, at the time of the granting of such application or at the effective date of such certificate or report (as the case may be), of the facts and opinions stated in such document shall in such case be conditions precedent to the right of the Issuer to have such application granted or to the sufficiency of such certificate or report.

Section 1.5. Effect of Headings and Table of Contents. The Article and Section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.6. Successors and Assigns. All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 1.7. Severability Clause. In case any provision herein or in the Bonds 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.

Section 1.8. Benefits of Indenture. Nothing herein or in the Bonds, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, and the Holders of Outstanding Secured Bonds, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 1.9. Governing Law. This Indenture shall be construed in accordance with and governed by the laws of the State.

Section 1.10. Notice of Section 38-511, Arizona Revised Statutes. To the extent applicable by provision of law, the parties acknowledge that this Indenture is subject to cancellation pursuant to A.R.S. Section 38-511, the provisions of which are incorporated herein.

ARTICLE 2

FORM OF BONDS

Section 2.1. Form Generally.

A. The Bonds, including the form of Certificate of Authentication, when required and as applicable, the form of Assignment to be reproduced on each of the Bonds, shall be substantially in the form set forth in this Article with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required hereby, and may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an Opinion of Counsel) placed thereon (or attached thereto) as may, consistently herewith, be determined by the officers executing such Bonds as evidenced by their execution thereof. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

B. The definitive Bonds shall be printed, lithographed, or engraved, produced by any combination of these methods, or produced in any other manner, all as determined by the officers executing such Bonds as evidenced by their execution thereof.

Section 2.2. Form of Bonds. The Bonds shall be in substantially the following form:

[FORM OF BOND]

REGISTERED
No. R-____

REGISTERED
\$_____

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC") TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO. HAS AN INTEREST HEREIN.

UNLESS THE PROVISIONS OF THE HERINAFTER 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
(TOWN OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 7
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2011**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Issue Date</u>	<u>CUSIP No.</u>
8.50%	July 1, 2035	April __, 2011	315599 ____

REGISTERED OWNER: CEDE & Co.

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

Festival Ranch Community Facilities District, a community facilities district formed by the Town 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 (as such term is deemed in the hereinafter described "Indenture"), semiannually on each January 1 and July 1, commencing July 1, 2011 (each an "Interest Payment Date"), at the per annum "Interest Rate" specified above.

As provided in the Indenture, the interest, principal and Redemption Price (as such term and all other terms used herein and not defined are defined in the Indenture) payable on the Bonds shall be

paid to CEDE & Co. or its registered assigns in same-day funds no later than the time established by DTC on the date due (or in accordance with then existing arrangements between the Issuer and DTC).

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 at the Place of Payment or 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 Indenture, unless otherwise defined herein.

Neither the full faith and credit nor the general taxing power of the Issuer, the Town 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 Trustee, by manual signature, this Bond shall not be entitled to any benefit under the hereinafter described Bond Resolution or the Indenture or be valid or obligatory for any purpose.

This Bond is one of a duly authorized issue of 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 an Indenture of Trust and Security Agreement, dated as of April 1, 2011 (herein, together with all indentures supplemental thereto, referred to as the "*Indenture*"), from the Issuer to Wells Fargo Bank, N.A., as trustee (herein referred to as the "*Trustee*," which term includes any successor trustee under the Indenture), to which Indenture reference is hereby made 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 Holders of the Bonds, the Trustee, 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 each Holder of this Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. Pursuant to Resolution No. 02-11, adopted on January 18, 2011 (herein referred to as the "*Bond Resolution*"), the Board of the Issuer authorized the issuance and sale of not to exceed \$404,000 aggregate principal amount of Bonds for the purpose of financing the costs of acquiring and constructing certain public infrastructure, including particularly the acquisition and/or construction by the Issuer of the improvements and public infrastructure purposes (the "*Improvements*") described in Resolution No. 06-10 which was adopted by the Board of the Issuer on December 7, 2010.

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 Trustee in the Debt Service Reserve Fund (the "*Debt Service Reserve Fund*") under the Indenture. The Assessed Property represents approximately 178 residential lots within the District. Said special fund is set apart in accordance with the laws of the state and pursuant to the Indenture for the payment of the Bonds and can be used for no other purpose.

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. For the levy of the Assessment, reassessment, collection and payment of said Assessments, the full faith and diligence of the Issuer are hereby irrevocably pledged. 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.

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 if Maximum Annual Debt Service on the Bonds is reduced. 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 Stated 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 Indenture 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 Indenture.

The Bonds are issuable as fully registered bonds only in the denominations of \$1,000 and any \$1,000 multiple in excess thereof.

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) 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 and Construction 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 on any date, 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 and the deposit of

such prepayment amounts to the Prepayment Account of the Bond Fund; 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 Indenture.

The Bonds are subject to optional redemption on or after July 1, 2021, 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 as randomly determined by the Trustee 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>	<u>Redemption Date (July 1)</u>	<u>Principal Amount</u>
2012	6,000	2024	15,000
2013	6,000	2025	16,000
2014	7,000	2026	18,000
2015	7,000	2027	19,000
2016	8,000	2028	21,000
2017	8,000	2029	23,000
2018	9,000	2030	24,000
2019	10,000	2031	26,000
2020	11,000	2032	29,000
2021	12,000	2033	31,000
2022	13,000	2034	34,000
2023	14,000	2035	37,000

Whenever Bonds of the applicable maturity are purchased, redeemed (other than pursuant to mandatory redemption) or delivered by the Issuer to the Trustee for cancellation, the principal amount of the Bonds so retired shall satisfy and be credited on a *pro rata* basis against the remaining mandatory redemption requirements for the Bonds of the applicable maturity.

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 each Holder of Bonds to be redeemed, at the address appearing in the Bond Register.

The Bonds shall initially be issued as a single fully-registered bond in each Stated Maturity and so long as the ownership of the Bonds is maintained in book-entry form by DTC or a nominee thereof, this Bond may be transferred in whole but not in part only to DTC or a nominee thereof or to a successor to DTC or its nominee.

Neither the Issuer nor the Trustee will have any responsibility or obligation to any Direct Participant, Indirect Participant or any Beneficial Owner or any other person not shown on the registration books of the Trustee as being a Holder with respect to: (1) the Bonds; (2) the accuracy of any records maintained by DTC or any Direct Participant or Indirect Participant; (3) the timely or ultimate payment by

DTC or any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal or redemption price of or interest on the Bonds; (4) the delivery by any Direct Participant or Indirect Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Bond Resolution or the Indenture to be given to the Holders; (5) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (6) any consent given or other action taken by DTC as the Holder.

The Bond Resolution and the Indenture permit, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Holders of the Bonds under the Bond Resolution and the Indenture at any time by the Issuer with the consent of the Holders of a majority in principal amount of the Bonds at the time Outstanding affected by such modification. The Bond Resolution and Indenture also contain provisions permitting the Holders of specified percentages in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the Holders of all the Bonds, to waive compliance by the Issuer with certain past defaults under the Bond Resolution or the Indenture and their consequences. Any such consent or waiver by the Holder of this Bond or any Predecessor Bond evidencing the same debt shall be conclusive and binding upon such Holder and upon all future Holders thereof and of any Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such consent or waiver is made upon this Bond.

As provided in the Indenture 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 Place of Payment 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 Trustee a completed certificate of qualified investor in the form included in this Bond.

As provided in the Indenture 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 Place of Payment.

The Paying Agent may require payment of a sum sufficient to cover any tax or other charges payable in connection therewith.

The Issuer, the Trustee, 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 Trustee, and any such agent shall be affected by notice to the contrary.

Neither the full faith and credit nor the general taxing power of the Issuer, the Town 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 Trustee, by manual signature, this Bond shall not be entitled to any benefit under the hereinafter described Bond Resolution or the Indenture or be valid or obligatory for any purpose.

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 (TOWN OF BUCKEYE, ARIZONA)**

By _____
Chairman

ATTEST:

District Clerk

Dated: _____

Section 2.3. Form of Certificate of Authentication. Each of the Bonds shall have on the face thereof the following form:

CERTIFICATE OF AUTHENTICATION

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

WELLS FARGO BANK, N.A., as Trustee

By _____
Authorized Representative

DATE: _____

Section 2.4. Form of Assignment. Each of the Bonds shall have on the reverse thereof the following form:

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 Trustee

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

WELLS FARGO BANK, N.A., as Trustee

Re: Festival Ranch Community Facilities District
(Town of Buckeye, Arizona)
Assessment District No. 7
Special Assessment Revenue Bonds, Series 2011

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 \$404,000.

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 Stone & Youngberg, L.L.C.; 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 Town of Buckeye, Arizona (the "Town"), 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 Town, 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"]

Section 2.5. Qualified Investor Form of Certificate of Authentication. Each of the Bonds shall have on the face thereof the following form:

CERTIFICATE OF AUTHENTICATION

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

WELLS FARGO BANK, N.A., as Trustee

By _____
Authorized Representative

DATE: _____

ARTICLE 3

TERMS AND ISSUANCE OF THE BONDS

Section 3.1. Title and Terms. A. There shall be one series of bonds dated April 7, 2011, issued and secured hereunder entitled "*FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE, ARIZONA), ASSESSMENT DISTRICT NO. 7 SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2011*" (herein referred to as the "*Bonds*").

B. The Bonds shall be issued in Authorized Denominations.

C. The aggregate principal amount of the Bonds which may be authenticated and delivered and Outstanding is limited to \$404,000. The Bonds shall be mature on July 1 in the years and shall bear rates of interest per annum as follows:

**Maturity Date
(July 1)**

Principal Amount

Interest Rate

2035

\$404,000

8.50%

D. The Bonds shall bear interest from the date of initial delivery or from and including the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on each January 1 and July 1 commencing July 1, 2011 (herein each referred to as an "*Interest Payment Date*").

E. The principal of or Redemption Price for the Bonds shall be payable upon surrender of the Bonds to the Paying Agent in the Place of Payment when due. Interest on the Bonds payable on any Interest Payment Date shall be payable as provided in Section 3.7. No document of any nature whatsoever need be surrendered as a condition of payment of Book-Entry Bonds.

F. The Bonds shall not constitute a lien upon any property of the Issuer, including, without limitation, the Project or any portion thereof in respect of which such Bonds are being issued, but shall constitute a lien only on the Pledged Revenues pledged to such Bonds as set forth in this Indenture. Nothing in the Bonds or in this Indenture shall be construed as obligating the Issuer to pay the Bonds or the redemption price thereof or the interest thereon except from the Pledged Revenues pledged to the Bonds, or as pledging the full faith and credit of the Issuer, the Municipality, Maricopa County or the State or any political subdivision thereof, or as obligating the Issuer, the Municipality, Maricopa County or the State, or any of its political subdivisions, directly or indirectly or contingently, to levy or to pledge any form of taxation whatever therefor.

Nothing in the Bonds or herein shall be construed as obligating the Owner, or any subsequent owner of real property within the District, any joint venture entity in the Owner or any subsequent owner of the real property within or any person affiliated with, controlling or related to, the Owner or any subsequent owner of real property with the District, or any joint venture entity in the Owner or any subsequent owner of real property within the District to pay the Bonds or the redemption price thereof or the interest thereon, except to the extent that they are obligated to pay Assessments constituting Pledged Revenues hereunder.

Section 3.2. Redemption or Purchase of Bonds. The Bonds are subject to special, optional and mandatory redemption prior to maturity in accordance with this Section 3.2 and Article Four.

A. *Special Redemption*. The Bonds will be redeemed from funds of the Issuer at the option of the Issuer in whole or from time to time in part on any Interest Payment Date, as randomly determined by the Trustee within the applicable maturity, upon payment of the applicable Redemption Price which shall consist of the principal amount of the Bonds so redeemed, without premium on the Bonds so redeemed from the most recent Interest Payment Date to the applicable redemption date, 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) on or after the Completion Date of the Project, upon direction to the Trustee by the District, moneys are transferred from the Acquisition and Construction Fund to the Prepayment Account of the Bond Fund pursuant to Section 5.4.D. hereof; or

- (ii) the deposit with the Trustee, for deposit to the Prepayment Account of the Bond Fund, of proceeds from any foreclosure sale of any assessed real property due to a failure to pay an assessment installment, if and to the extent that the foreclosure sale proceeds are not used to replenish the Reserve Fund to an amount equal to the Reserve Fund Requirement.

B. *Special Optional Redemption.* The Bonds will be redeemable from funds of the Issuer at the option of the Issuer in whole or in part on any date, 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 and the deposit of such prepayment amounts to the Prepayment Account of the Bond Fund; or
- (ii) the transfer of moneys from the Reserve Fund established for the Bonds to the Prepayment Account of the Bond Fund:
 - (a) which are in excess of the Reserve Fund Requirement, pursuant to Section 5.8.C.; or
 - (b) are sufficient to pay and redeem all of the Outstanding Bonds, pursuant to Section 5.8.F.

C. *Optional Redemption.* The Bonds will also be redeemable on or after July 1, 2021, 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 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 interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the applicable redemption date, without premium.

D. *Mandatory Redemption.* The Bonds will be redeemed from funds of the Issuer prior to the applicable maturity on the following redemption dates and in the following amounts as randomly determined by the Trustee 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 Date to the applicable Redemption Date:

<u>Redemption Date (July 1)</u>	<u>Principal Amount</u>	<u>Redemption Date (July 1)</u>	<u>Principal Amount</u>
2012	6,000	2024	15,000
2013	6,000	2025	16,000
2014	7,000	2026	18,000
2015	7,000	2027	19,000
2016	8,000	2028	21,000
2017	8,000	2029	23,000
2018	9,000	2030	24,000
2019	10,000	2031	26,000
2020	11,000	2032	29,000
2021	12,000	2033	31,000
2022	13,000	2034	34,000
2023	14,000	2035	37,000

Whenever Bonds are purchased, redeemed (other than pursuant to a mandatory redemption) or delivered by the Issuer to the Trustee for cancellation, the principal amount of the Bonds so retired shall satisfy and be credited on a *pro-rata* basis against the remaining mandatory redemption requirements for the Bonds of the applicable maturity.

E. Notwithstanding the foregoing, if at any time there is money in the Prepayment Account of the Bond Fund and any of the outstanding Bonds payable from such Prepayment Account of the Bond Fund may be purchased in the open market at a net cost to the Issuer which would be less than the cost of redeeming such Bonds under the provisions of this Section, the Issuer, from time to time, may cause the Trustee to purchase so many of such Bonds as the Issuer shall designate and to pay therefor from the Prepayment Account of the Bond Fund, to the extent of the funds in such Prepayment Account. The Bonds so purchased shall be cancelled by the Trustee in accordance with the provisions of Section 3.8 hereof.

Section 3.3. Execution, Authentication, Delivery and Dating.

A. The Bonds shall be executed on behalf of the Issuer by the Chairman or Vice Chairman of the Board and attested by the District Clerk. The signature of any of these officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who were at the time the proper officers of the Issuer shall bind the Issuer, notwithstanding that such individuals or any of them shall cease to hold such offices prior to the certification or authentication and delivery of such Bonds or shall not have held such offices at the date of such Bonds.

B. Forthwith upon the execution and delivery hereof, the Issuer shall deliver to the Trustee the Bonds, executed by the Issuer, and the Trustee shall thereupon authenticate the Bonds and deliver the Bonds to the Persons and in the principal amounts which were designated in writing to the Trustee not less than five (5) Business Days in advance of the receipt by the Trustee of:

1. the Bond Resolution, duly and validly adopted by the Board, authorizing the execution and delivery of this Indenture and the authentication and delivery of the Bonds,

2. the purchase price for the Bonds specified in the Bond Resolution.

C. At any time and from time to time after the execution and delivery hereof, the Issuer may deliver Bonds executed by the Issuer to the Trustee for authentication, and the Trustee shall authenticate and deliver such Bonds as provided herein.

D. No Bond shall be entitled to any right or benefit hereunder, or be valid or obligatory for any purpose, unless there appears on such Bond a certificate of authentication substantially in the form provided in Section 2.3, executed by the Trustee by manual signature, and such certificate upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified or authenticated and delivered.

E. All Bonds authenticated and delivered by the Trustee hereunder shall be dated the date of their authentication. Book-Entry Bonds may be printed, lithographed, typewritten, mimeographed, or otherwise produced.

Section 3.4. Registration, Transfer and Exchange.

A. The Issuer shall cause to be kept (at its agency for payment of the Bonds) in the Place of Payment a register (herein referred to as the "*Bond Register*") for the Bonds in which, subject to such reasonable regulations as it may prescribe, the Issuer shall provide for the registration of the Bonds and registration of transfers of Bonds as herein provided.

All Bonds initially will be registered so as to participate in the DTC Program. Either the Chairman of the District Board or the District Manager is authorized to execute a Representation Letter or such other documents as may be necessary for the Issuer to participate in the DTC Program. Upon initial issuance, the ownership of the Bonds held by DTC shall be registered in the Bond Register in the name of Cede & Co., or any successor thereto, as nominee for DTC. The Issuer shall have no responsibility or obligation to Direct or Indirect Participants or Beneficial Owners for which DTC holds Bonds from time to time as a depository. Without limiting the immediately preceding sentence, the Issuer shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co., or any Direct or Indirect Participant with respect to any beneficial ownership interest in the Bonds, (b) the delivery to any Direct or Indirect Participant or any Person, other than a registered Holder of a Bond as shown in the Bond Register, or any notice with respect to the Bonds, or (c) the payment to any Direct or Indirect Participant or any other Person, other than a registered Holder as shown in the Bond Register, of any amount with respect to the Bonds. No Person other than a Holder as shown in the Bond Register shall receive a certificate evidencing a Bond or confirming ownership of a Book-Entry Bond.

B. Upon surrender for transfer of any Bond to a Paying Agent therefor in the Place of Payment, the Issuer shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new fully registered Bonds of the same series, of any Authorized Denominations, and of a like aggregate principal amount as requested by the transferor.

C. At the option of the Holder, Bonds may be exchanged for other Bonds, of any Authorized Denominations, and of like aggregate principal amount, upon surrender of the Bonds to a Paying Agent therefor in the Place of Payment. Whenever any Bonds are so surrendered for exchange, the

Issuer shall execute, and the Trustee shall authenticate and deliver, the Bonds which the Holder of Bonds making the exchange is entitled to receive.

D. All Bonds issued and authenticated upon any transfer or exchange of Bonds shall be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same security and benefits hereunder and under the Bond Resolution, as the Bonds surrendered upon such transfer or exchange.

E. Every Bond presented or surrendered for transfer or exchange shall be duly endorsed (if so required by the Trustee), or be accompanied by a written instrument of transfer in form satisfactory to the Trustee duly executed, by the Holder thereof or his attorney duly authorized in writing.

F. The Trustee may require payment of a sum sufficient to cover any tax or other charges that may be imposed in connection with any transfer or exchange of Bonds.

G. Neither the Issuer nor the Trustee 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 under Section 4.4 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.

H. (1) The Trustee and the Issuer may from time to time enter into, and discontinue, an agreement with a "clearing agency" (securities depository) other than DTC registered under Section 17A of the Securities Exchange Act of 1934, as amended (the "*Securities Depository*"), which is the owner of the Bonds, to establish procedures with respect to the Bonds not inconsistent with the provisions of this Indenture; provided, that, notwithstanding any other provisions of this Indenture, any such agreement may provide that different provisions for notice to the Securities Depository may be set forth herein and that a legend shall appear on each Bond so long as the Bonds are subject to such agreement.

(2) With respect to the Bonds registered in the name of a Securities Depository (or its nominee), neither the Trustee nor the Issuer shall have any obligation to any of its members or participants or to any person on behalf of whom an interest is held in the Bonds.

(3) The Issuer has entered into a Representation Letter with DTC in connection with the issuance of its bonds, including the Bonds, and while the Letter of Representations is in effect, the procedures established therein shall apply to the Bonds notwithstanding any other provisions of this Indenture to the contrary. As long as DTC is the Securities Depository with respect to the Bonds, the Trustee shall be a "DTC Direct Participant."

Section 3.5. Temporary Bonds.

A. Pending the preparation of definitive Bonds, the Issuer may execute, and upon Issuer Request the Trustee shall authenticate and deliver, temporary Bonds which are printed, lithographed, typewritten, mimeographed, or otherwise produced, any Authorized Denomination, substantially of the tenor of the definitive Bonds in lieu of which they are issued, in fully registered form, and with such appropriate insertions, omissions, substitutions, and other variations as the officers executing such Bonds may determine, as evidenced by their execution of such Bonds.

B. If temporary Bonds are issued, the Issuer shall cause definitive Bonds to be prepared without unreasonable delay. After the preparation of definitive Bonds, the temporary Bonds shall be exchangeable for definitive Bonds upon surrender of the temporary Bonds to the Trustee without charge to the Holder. Upon surrender for cancellation of any one or more temporary Bonds the Issuer shall execute and the Trustee shall authenticate and deliver in exchange therefor a like principal amount of definitive Bonds of the same maturity and of Authorized Denominations. Until so exchanged, temporary Outstanding Secured Bonds shall in all respects be entitled to the security and benefits of this Indenture.

Section 3.6. Mutilated, Destroyed, Lost and Stolen Bonds.

A. If (1) any mutilated Bond is surrendered to the Trustee, or the Trustee receives evidence to its satisfaction of the destruction, loss, or theft of any Bond, and (2) there is delivered to the Trustee such security or indemnity as may be required by it to save each of the Issuer and Trustee harmless, then, in the absence of notice to the Issuer or the Trustee that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and, upon a request of the District Manager, the Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same series and of like tenor and aggregate principal amount bearing a number not contemporaneously outstanding, provided, however, in case any such mutilated, destroyed, lost, or stolen Bond has become or is about to become due and payable, the Issuer or the Trustee in its discretion may pay such Bond instead of issuing a new Bond. If, after the delivery of such new Bond or payment, a bona fide purchaser of the original Bond in lieu of which such new Bond was issued or payment made presents for payment such original Bond, the Issuer and the Trustee shall be entitled to recover such new Bond or payment from the Person to whom it was delivered or to whom payment was made or any Person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expenses incurred by the Issuer or the Trustee in connection therewith.

B. Upon the issuance of any new Bond under this Section, the Issuer or the Trustee may require the payment of a sum sufficient to cover any tax or other charges that may be imposed in relation thereto and any other expenses connected therewith.

C. Every new Bond issued pursuant hereto in lieu of any mutilated, destroyed, lost, or stolen Bond shall constitute an original additional contractual obligation of the Issuer, whether or not the mutilated, destroyed, lost, or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the benefits of the Bond Resolution and hereof equally and ratably with all other Outstanding Bonds.

D. The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost, or stolen Bonds.

Section 3.7. Payment of Interest on Bonds; Interest Rights Preserved.

A. Interest on any Bond which is payable on, and is punctually paid or duly provided for on, any Interest Payment Date shall be paid to the Person in whose name that Bond (or one or more Predecessor Bonds) is registered at the close of business on the Regular Record Date for such interest. Such interest, in the absence of other arrangements acceptable to the Paying Agent made by the Holder as of such date, shall be paid by check payable to the order and mailed on or before the Interest Payment Date to the address of such Holder as the same appears on the Bond Register as of the Regular Record Date and such payment shall be deemed to be at the Place of Payment. Additionally, payment may also be made by wire transfer to DTC or upon twenty (20) days prior written request delivered to the Paying Agent specifying a wire transfer address in the United States of America by any owner of Bonds (other than DTC) owning an aggregate principal amount of at least \$1,000,000. Any such request for interest payments by wire transfer shall remain in effect until rescinded or changed, in writing delivered by the Holder to the Paying Agent, any such rescission or change must be received by the Paying Agent at least twenty (20) days prior to the next applicable Interest Payment Date. No document of any nature whatsoever need be surrendered as a condition to payment of principal of and interest on Book-Entry Bonds.

B. Any interest on any Bond which is payable on, but is not punctually paid or duly provided for on, any Interest Payment Date (herein referred to as "*Defaulted Interest*") shall forthwith cease to be payable to the Holder on the relevant Regular Record Date solely by virtue of such Holder having been such Holder. Such Defaulted Interest shall thereupon be paid by the Issuer to the Persons in whose names such Bonds (or their respective Predecessor Bonds) are registered at the close of business on a Special Record Date for the payment of such portion of Defaulted Interest as may then be paid from the sources herein provided. The Issuer shall promptly notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence hereof), and at the same time the Issuer shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Holders entitled to such Defaulted Interest as in this Subsection provided and not to be deemed part of the Trust Estate for the other than Outstanding Secured Bonds. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment by the Trustee and not less than ten (10) days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder of a Bond of such series at his address as it appears in the Bond Register not less than ten (10) days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names the Bonds (or their respective Predecessor Bonds) are registered on such Special Record Date.

C. Subject to the foregoing provisions of this Section, each Bond delivered hereunder upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond and each such Bond shall bear interest from such date that neither gain nor loss in interest shall result from such transfer, exchange, or substitution.

Section 3.8. Cancellation. All Bonds purchased or surrendered for payment, redemption, transfer, exchange, replacement or conversion, and all Bonds, if purchased by or surrendered to the Trustee, shall be promptly canceled by it and, if surrendered to the Issuer or any Paying Agent, shall be delivered to the Trustee and, if not already canceled, shall be promptly canceled by the Trustee. The Issuer may at any time deliver to the Trustee for cancellation any Bonds previously certified or authenticated and delivered which the Issuer may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Trustee. No Bond shall be authenticated in lieu of or in exchange for any Bond canceled as provided in this Section, except as expressly provided hereby.

Section 3.9. Persons Deemed Owners. The Issuer, the Trustee, and their agents may treat the Person in whose name any Bond is registered as the owner of such bond for the purpose of receiving payment of the principal (and Redemption Price) of and interest on such Bond as provided herein and for all other purposes whatsoever, whether or not such Bond be overdue, and, to the extent permitted by law, none of the Issuer, the Trustee, and any such agent shall be affected by notice to the contrary.

ARTICLE 4

REDEMPTION OF BONDS

Section 4.1. General Applicability of Article. The Bonds shall be redeemable before their Stated Maturity in accordance with Section 3.2 and this Article.

Section 4.2. Notice to Trustee. In case of redemption of all or less than all of the Outstanding Bonds, the Issuer shall, at least sixty (60) days prior to the Redemption Date (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee in writing of such Redemption Date and of the principal amount of the Bonds to be redeemed.

Section 4.3. Selection of Bonds to be Redeemed.

A. If less than all the Outstanding Bonds are to be redeemed, the particular Bonds by maturity to be redeemed shall be selected not less than forty-five (45) days prior to the Redemption Date by the Trustee from the Outstanding Bonds which have not previously been called for redemption, as nearly as practicable, in a manner that results in the maintenance of level debt service payments on the Bonds. If the Book-Entry-Only System is not in effect, Bonds within a maturity shall be chosen by lot within each maturity, and the Trustee may provide for the selection for redemption of portions (in multiples of \$1,000) of the principal of the Bonds. No Bond shall be redeemed if such redemption would result in the new Bond being less than the minimum Authorized Denomination.

Section 4.4. Notice of Redemption.

A. Notice of redemption shall be given by first class mail, postage prepaid, by the Trustee in the name and at the expense of the Issuer, not less than thirty (30) nor more than sixty (60) days prior to the Redemption Date, to each Holder of Bonds to be redeemed, at his address appearing in the Bond Register.

B. All notices of redemption shall include a statement as to

1. the Redemption Date,
2. the Redemption Price,
3. the principal amount of Bonds to be redeemed and, if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) to be redeemed,

4. that on the Redemption Date, the Redemption Price of each of the Bonds to be redeemed will become due and payable and that the interest thereon shall cease to accrue from and after said date, and

5. that Bonds to be redeemed are to be surrendered for payment of the Redemption price to the Paying Agent in the Place of Payment and the address of such Paying Agent.

C. Notices of redemption shall also be sent pursuant to this Section for receipt no later than the close of business on the second Business Day prior to the mailing of such notice by (1) registered or certified mail, (2) overnight delivery service, or (3) facsimile transmission, to the following registered securities depositories registered with the Securities and Exchange Commission known to the Trustee to be then in the business of holding substantial amounts of obligations of types such as the Bonds, including:

Midwest Securities Trust Company Capital
Structured-Call Notification
440 South LaSalle Street
Chicago, Illinois 60605
Facsimile transmission: (312) 663-2343

The Depository Trust Company
711 Stewart Avenue
Garden City, New York 11530
Facsimile transmission: (516) 227-4039; (516) 227-4190

Philadelphia Depository Trust Company
Reorganization Division
1900 Market Street
Philadelphia, Pennsylvania 19103
Facsimile transmission: (215) 496-5058

D. Notices of redemption shall also be sent on the date of the mailing of the notice pursuant to this Section by (1) registered or certified mail, (2) overnight delivery service, or (3) electronic or facsimile transmission to two of the following services:

Moody's Municipal and Government
99 Church Street, 8th Floor
New York, New York 10007
Attention: Municipal News Reports

Standard & Poor's Called Bond Record
25 Broadway, 3rd Floor
New York, New York 10004

Financial Information, Inc.'s
Financial Daily Called Bond Service
30 Montgomery Street, 10th Floor
Jersey City, New Jersey 07302
Attention: Editor

Kenney Information Service's Called Bond Service
55 Bond Street, 28th Floor
New York, New York 10004

and to Electronic Municipal Market Access (“EMMA”) system of the Municipal Securities Rulemaking Board and, if for any reason, EMMA no longer exists, the Trustee shall send the notices to the following national repositories:

Bloomberg Municipal Repository
100 Business Park Drive
Skillman, New Jersey 08558
Telephone: 609.279.3225
Fax: 609.279.5962
www.bloomberg.com/markets/muni_contactinfo.html
E-mail: Munis@Bloomberg.com

Standard & Poor's Securities Evaluations, Inc.
55 Water Street, 45th Floor
New York, New York 10041
Telephone: 212.438.4595
Fax: 212.438.3975
www.jjkenny.com/jjkenny/pser_descrip_data_rep.html
E-mail: nrmsir_repository@sandp.com

DPC Data Inc.
One Executive Drive
Fort Lee, New Jersey 07024
Telephone: 201.346.0701
Fax: 201.947.0107
www.dpcdata.com
E-mail: nrmsir@dpcdata.com

Interactive Date Pricing & Reference Data, Inc.
Attn: NRMSIR
100 William Street, 15th Floor
New York, New York 10038
Telephone: 212.771.6999
Fax: 212.771.7390
www.interactivedata.prd.com
E-mail: NRMSIR@interactivedata.com

D. Neither the failure to mail any notice required by Subsection C or D hereof, nor any defect in any notice so mailed, shall affect the sufficiency of such notice or the redemption otherwise effected by such notice.

Section 4.5. Deposit of Redemption Price and Interest. On or before the Business Day preceding the earliest date for mailing of the notice required by Section 4.4 with regard to any Redemption Date relating to Section 3.2, the Issuer shall deposit or cause to be deposited with the Trustee

an amount of money which, together with any amounts in the Bond Fund available for such purpose, is sufficient to pay the Redemption Price of all the Bonds then to be redeemed and interest, if any, accrued thereon to the Redemption Date. Such money and amounts shall be segregated and shall be held in trust for the benefit of the Holders entitled to such Redemption Price and shall not be deemed to be part of the Trust Estate.

Section 4.6. Bonds Payable on Redemption Date.

A. Notice of redemption having been given as aforesaid, the Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Bonds shall cease to bear interest and shall cease to be governed by or receive the benefits hereof. If the Book-Entry-Only System is not in effect upon surrender of any such Bond for redemption in accordance with said notice, such Bond shall be paid by the Issuer at the Redemption Price, but solely from the sources therein provided. Installments of interest with a Stated Maturity on or prior to the Redemption Date shall be payable to the Holders of the Bonds registered as such on the relevant Record Dates according to the terms of such Bonds and the provisions of Section 3.7.

B. If any Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the Redemption Date at the rate prescribed therefor in such Bond.

Section 4.7. Bonds Redeemed in Part. If the Book-Entry-Only System is not in effect, any Bond which is to be redeemed only in part shall be surrendered at the principal corporate trust office of the Trustee, and the Issuer shall execute and the Trustee shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds of any Authorized Denomination(s) as requested by such Holder in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

ARTICLE 5
FUNDS

Section 5.1. Bond Fund.

A. There is hereby created by the Issuer and established with the Trustee the special fund of the Issuer designated its "Assessment District No. 7 Special Assessment Revenue Bonds, Series 2011 Bond Fund" (herein referred to as the "*Bond Fund*"). The money deposited to the Bond Fund, together with all investments thereof and investment income therefrom, shall be held in trust by the Trustee and applied solely as provided in Sections 5.2 and 7.3.

B. The Bond Fund will be comprised of the following accounts:

1. Principal Account
2. Interest Account
3. Prepayment Account

Section 5.2. Deposits to and Application of Bond Fund.

A. The Issuer shall or shall cause, at the applicable times set forth below, immediately deposit with the Trustee and the Trustee shall deposit to the Bond Fund to the credit of the applicable accounts or sub-accounts:

1. to the Principal and Interest Accounts, as applicable, on each June 30 and December 31 or, if either such date is not a Business Day, then the first Business Day immediately preceding such date, all amounts collected by or remitted to the Issuer from the collections of the installments of principal and interest, respectively, on the Assessments, to be applied to pay the principal amount, including any mandatory redemption amount then due and the interest then due on the Bonds;

2. to the Prepayment Account to be applied pursuant to Section 3.2.B.(i), upon receipt, all amounts remitted to the Issuer as prepayments of the Assessments;

3. to the Prepayment Account, to be applied pursuant to Section 3.2.A, upon receipt, all amounts remitted to the Issuer as proceeds from any foreclosure sale of any assessed real property and not used to replenish the Reserve Fund to an amount equal to the Reserve Fund Requirement; and

4. such other funds as the Issuer shall, from time to time, at its option deem advisable.

B. The Trustee shall deposit to the Bond Fund to the credit of the applicable accounts:

1. to the Prepayment Account, amounts transferred from the Acquisition and Construction Fund to the extent provided in Section 5.4.D;

2. to the Principal and Interest Accounts, as the case may be, amounts transferred from the Reserve Fund pursuant to Section 5.8.B;

3. to the Interest Account, any amounts transferred from the Reserve Fund pursuant to Section 5.8(E) and such amounts may be held in the Interest Account to be used during the term of the Bonds to pay interest on the Bonds that is not paid from Assessments as a result of prepayment or foreclosure of any Assessments; and

4. to the Prepayment Account, any amounts transferred from the Reserve Fund pursuant to Section 5.8.C or F.

C. The Principal, Interest and Prepayment Accounts of the Bond Fund shall be applied solely to pay principal of, interest on and Redemption Price with respect to the Bonds, respectively.

Section 5.3. Acquisition and Construction Fund. There is hereby created by the Issuer and established with the Trustee the special fund of the Issuer designated its "Assessment District No. 7 Special Assessment Revenue Bonds, Series 2011 Acquisition and Construction Fund" (herein referred to as the "*Acquisition and Construction Fund*"). The money deposited to the Acquisition and

Construction Fund, together with all investments thereof and investment income therefrom, shall be held in trust by the Trustee and applied solely as provided in Section 5.4.

Section 5.4. Deposits to and Application of Acquisition and Construction Fund. The Issuer shall cause the Owner to deposit \$42,000 to the Acquisition and Construction Fund. Subsequent to the Closing Date, the Trustee shall deposit in the Acquisition and Construction Fund the amounts, if any, specified in Section 5.6.

A. Funds in the Acquisition and Construction Fund shall be used to pay the Costs of Acquisition and Construction. Upon compliance with the provisions of this Section, amounts on deposit in the Acquisition and Construction Fund shall be applied by the Trustee in the amounts and to the Persons set forth in an Issuer Request.

B. The Trustee shall make payments from the Acquisition and Construction Fund only upon receipt of:

1. in every case, an Issuer Request, signed by either the Chairman of the Board, the District Manager or the District Treasurer (the "*Disbursement Request*") certifying that the work to which the payment relates has been accomplished in a manner satisfactory to the Issuer. Such certification may be based upon certificates satisfactory to it provided by such consultants as the District or the Municipality may retain with respect to the improvements or purposes to which the payment relates, or by the Assessment District Engineer and the District Engineer;

Such Disbursement Request shall also state (a) the name and address of the Person to whom the payment is to be made (who may be the Issuer, the Owner or any other Person, if the Issuer, the Owner or any such other Person is to be reimbursed for advances made or work done by it and properly chargeable against the Acquisition and Construction Fund (collectively, the "*Reimbursed Person*")); (b) the amount to be paid; (c) the obligation on account of which the payment is to be made, showing the total obligation, any amount previously paid, and the unpaid balance; (d) that the obligation was properly incurred and is a proper charge against the Acquisition and Construction Fund; (e) that the amount requisitioned is due and unpaid or owing to the Reimbursed Person; (f) that with respect to items covered in the requisition, there are no vendors' liens, mechanics' liens, or other liens, bailment leases or condition sale contracts which must be satisfied or discharge before the payments as requisitioned therein are made, or which will not be discharged by such payment; and (g) the aggregate amount of all disbursements previously made from the Acquisition and Construction Fund;

2. in the case of payments or reimbursements due related to construction contracts, a certificate signed by the District Engineer certifying (a) such District Engineer's approval of the requisition; (b) that the obligation was properly incurred; (c) that the amount requisitioned is due and unpaid; (d) that, insofar as the payment is to be made for work, material, supplies or equipment, the work has been performed and the material, supplies or equipment have been installed as part of the Project or any portion thereof or have been delivered either at the proper site or at a proper place for fabrication and are covered by the builders' risk insurance (such certification can rely upon the opinion of an inspector or other consultant retained by the Municipality); and (e) that all work, material, supplies and equipment for which payment is to be made are, in the signer's opinion or opinion of an inspector or consultant retained by the Municipality, in accordance with the plans and specifications or duly approved change orders; and

3. in the case of payments to discharge any obligation or indebtedness of the Issuer, the proceeds of which were used for payments properly chargeable against the Acquisition and Construction Fund, any notes or other evidences of the obligation or indebtedness to be discharged, which shall thereupon be cancelled by the Trustee and returned to the issuer thereof.

C. The date of completion of the Project or any portion thereof (the "*Completion Date*") shall be evidenced to the District and the Trustee by a certificate signed by the District Engineer and the District Manager or a Responsible Officer of the Issuer stating that, except for amounts retained by the Trustee for Costs of Acquisition and Construction, or any portion thereof not then due and payable:

1. The Project or any portion thereof, as applicable, have 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 Municipality) and all labor, services, materials and supplies used in the Project or any portion thereof, as applicable, have been paid for and acknowledgments of such payments have been obtained from all contractors and suppliers; and

2. All other facilities necessary in connection with the Project or any portion thereof, as applicable, 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 Municipality), and all Costs of Acquisition and Construction for and incurred in connection therewith 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 Trustee shall transfer any balance in the Acquisition and Construction Fund (except moneys retained for expenses not yet due and payable) into the Prepayment Account in the Bond Fund for application to the redemption of Bonds pursuant to Section 3.2.A.(i).

D. Notwithstanding the provisions of paragraphs B and C above, the District Engineer is not responsible for the supervising and inspecting of the construction or installation of the Project or any portion thereof, unless specifically retained by the District or Municipality for such purpose, and may rely on the certificates of the inspectors and consultants retained by the District or Municipality for such purpose in making the certifications relating to satisfactory construction and installation of the work as required by this Section 5.4. At the Direction of the Trustee to the District, any amounts remaining in the Acquisition and Construction Fund shall be transferred to the Prepayment Account of the Bond Fund and applied pursuant to Section 3.2.A.(i).

Section 5.5. Issuance and Expenses Fund. There is hereby created by the Issuer and established with the Trustee the special fund of the Issuer designated its "Assessment District No. 7 Special Assessment Revenue Bonds, Series 2011 Issuance and Expenses Fund" (herein referred to as the "*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 Trustee and applied solely as provided in Section 5.6.

Section 5.6. Deposits to and Application of Issuance and Expenses Fund. The Issuer shall deposit to the credit of the Issuance and Expenses Fund the amount specified in Section 5.9. Upon

an Issuer Request, amounts on deposit in the Issuance and Expenses Fund shall be applied to pay all Costs of Issuance identified in the Issuer Request. On July 1, 2011, the Trustee shall transfer any moneys in the Issuance and Expenses Fund to the Acquisition and Construction Fund.

Section 5.7. Reserve Fund. There is hereby created by the Issuer and established with the Trustee the special fund of the Issuer designated its "Assessment District No. 7 Special Assessment Revenue Bonds, Series 2011 Reserve Fund" (herein referred to as the "*Reserve Fund*"). The money deposited to the Reserve Fund, together with all investments thereof and investment profits therefrom, shall be held in trust by the Trustee and applied solely as provided in Section 5.8.

Section 5.8. Deposits to and Application of Reserve Fund.

A. The Issuer shall deposit to the Reserve Fund the amount of Bond proceeds specified in Section 5.9 hereof (\$40,340.00).

B. On, or, if either day is not a Business Day, before June 29 and December 30 of 2011 and each year thereafter, the Trustee shall, to the extent the moneys in the Reserve Fund exceed the Reserve Fund Requirement, transfer from the 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. The Trustee shall examine the Reserve Fund Requirement on May 1, 2011 and each May 1st of each year thereafter, to determine if any prepaid assessments and corresponding redemption of Bonds has allowed the Reserve Fund Requirement to be reduced. On May 1, 2011 and each May 1st of each year thereafter, the Trustee shall determine the value of the Reserve Fund investments, excluding any moneys which constitute investment earnings (which earnings are subject to the provisions of paragraph E of this Section), and shall thereafter deposit in the Prepayment Account of the Bond Fund, in \$1,000 multiples, any moneys in the Reserve Fund in excess of the Reserve Fund Requirement and apply the same pursuant to Section 3.2.B.(ii)(a). On June 1, 2034, all moneys in the Reserve Fund shall be transferred to the Bond Fund.

D. If, after a Reserve Fund withdrawal, the Reserve Fund is less than the Reserve Fund Requirement, the Issuer shall reimburse the 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 Reserve Fund and neither the Issuer nor the Municipality 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 payments is not required for the timely payment of Debt Service.

E. Any investment profits realized from the investment of moneys in the Reserve Fund shall remain in and be part of the Reserve Fund; provided, however, if moneys in the 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 5.2.B.(4).

F. If the amount held in the Reserve Fund together with the amount held in the Bond Fund is sufficient to pay the principal amount of all Outstanding Bonds on the next Interest Payment Date, together with the interest accrued on such Bonds as of such Interest Payment Date, the moneys shall be transferred to the Prepayment Account of the Bond Fund and thereafter used to redeem all Bonds as of such Interest Payment Date.

Section 5.9. Disposition of Proceeds of Bonds and Other Monies. Simultaneously with the initial delivery of the Bonds, the Issuer shall cause the Trustee to deposit the Bond proceeds and any and all amounts received by the Issuer from any Owner as a cash contribution as follows:

A. Issuance and Expenses Fund. An amount equal to \$42,000.00 from the Owner as a cash contribution.

B. Reserve Fund. An amount equal to \$40,340.00 comprised of Bond proceeds.

C. Acquisition and Construction Fund. The balance remaining from the proceeds of the Bonds after the deposit described in Paragraphs A and B of this Section (\$351,540.00) shall be deposited to the credit of the Acquisition and Construction Fund for the purposes described in Section 5.4.

Section 5.10. Investment of and Security for Funds.

A. Money held for the credit of the Bond Fund shall, as nearly as may be practicable, be continuously invested and reinvested by the Trustee in Governmental Obligations as directed in writing by the Issuer.

B. Money held for the credit of the Acquisition and Construction Fund, Reserve Fund and Issuance and Expenses Fund shall, as nearly as may be practical, be continuously invested and reinvested by the Trustee in Permitted Investments as directed in writing by the Issuer.

C. The Trustee shall sell or present for redemption any obligations so purchased as an investment hereunder whenever it shall be necessary so to do in order to provide money to make any payment or transfer of money required hereby. Investments shall mature, or shall be subject to redemption by the holder thereof at the option of such holder without penalty, not later than the respective dates when such money is expected to be required for the purpose intended. Obligations so purchased as an investment of any money credited to any fund established hereunder shall be deemed at all times to be a part of such fund. Other than investment profits credited to the Reserve Fund, which shall be applied pursuant to Section 5.8.E, the interest accruing on obligations so purchased and any profit realized from such investment shall be credited to such Fund and any loss resulting from such investment shall be charged to such fund.

D. All money held by the Trustee hereunder shall be continuously secured in the manner and to the fullest extent then required by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds. The Trustee may make any investment permitted by this Indenture through or with its own commercial banking or investment

departments. The Trustee shall not be liable for any loss resulting from any such investment excepting only such losses as may have resulted from its own negligence or willful misconduct.

E. All investments in the Funds established under the Indenture shall be valued at fair market value by the Trustee.

Section 5.11. Reports by Trustee. As soon as possible after January 1 and July 1 of each year, the Trustee shall provide to the Issuer and upon request of counsel to the Issuer (as identified by a certificate of the Issuer) the balances as of such date in each fund established under the Indenture.

ARTICLE 6

DEFEASANCE AND RELEASES

Section 6.1. Payment of Indebtedness; Satisfaction and Discharge of Indenture.

A. Whenever;

1. all Bonds theretofore authenticated and delivered have been canceled by the Trustee or delivered to the Trustee for cancellation, excluding, however:

a. Bonds for the payment of which money has theretofore been deposited in trust with the Trustee or a Paying Agent as provided in Section 4.5;

b. Bonds alleged to have been destroyed, lost, or stolen which have been replaced or paid as provided in Section 3.6, except for any such Bond which, prior to the satisfaction and discharge hereof, has been presented to the Trustee with a claim of ownership and enforceability by the Holder thereof and where enforceability has not been determined adversely against such Holder by a court of competent jurisdiction;

c. Bonds, other than those referred to in the foregoing Clauses, for the payment or redemption (under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name and at the expense of the Issuer) of which the Issuer has deposited or caused to be deposited with the Trustee in trust for such purpose an amount (to be immediately available for payment, except in the case of Bonds excepted from the foregoing clause (b) prior to the time the ownership and enforceability of such Bonds has been established) sufficient to pay and discharge the entire indebtedness on the Bonds for principal (and premium, if any) and interest to the date of Maturity thereof which have become due and payable or to the Stated Maturity or Redemption Date, as the case may be; and

d. Bonds deemed no longer Outstanding as a result of the deposit or escrow of money or Governmental Obligations or both as described in Section 6.2.

2. the Issuer has paid or caused to be paid all other sums payable hereunder by the Issuer,

then, upon an Issuer Request, this Indenture and the lien, rights, and interests created hereby shall cease, determine, and become null and void (except as to any surviving rights of transfer or exchange of Bonds herein or therein provided for), and the Trustee, then acting as such hereunder shall, at the expense of the Issuer, execute and deliver a termination statement and such instruments of satisfaction and discharge as may be necessary and pay, assign, transfer, and deliver to the Issuer or upon Issuer Request all cash, securities, and other personal property then held by it hereunder as a part of the Trust Estate.

B. In the absence of an Issuer Request as aforesaid, the payment of all Outstanding Secured Bonds shall not render this Indenture inoperative.

C. Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Issuer to the Trustee under Section 8.6 shall survive.

Section 6.2. Defeasance. Any Bond shall be deemed to be no longer Outstanding when payment of the principal of such Bond, plus interest thereon to the Maturity thereof (whether such Maturity be by reason of the Stated Maturity thereof or call for redemption, if notice of such call has been given or waived or irrevocable arrangements therefor satisfactory to the Trustee have been made) shall have been provided for by depositing for such payment from funds of the Issuer under the terms provided in this Section 6.2 either (1) money sufficient to make such payment or (2) money and Governmental Obligations certified by an independent accountant of national reputation to mature as to principal and interest in such amounts and at such times as shall, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom be sufficient to make such payment, provided that all necessary and proper fees, compensation, and expenses of the Trustee and Paying Agents pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. Any such deposit shall be made either with the Trustee or, if notice of such deposit is given to the Trustee, with a state or nationally chartered bank with a minimum combined capital and surplus of \$50,000,000, as escrow agent, with irrevocable instructions to transfer the amounts so deposited and investment income therefrom to the Trustee or the Paying Agents in the amounts and at the times required to pay principal of and interest on the Bonds with respect to which such deposit is made at the Maturity thereof and of such interest or the Stated Maturity, as the case may be. In the event such deposit is made with respect to some but not all of the Bonds then Outstanding, the Trustee shall select the Outstanding Bonds in the same manner as provided in Section 4.3 for the selection of Bonds to be redeemed.

Notwithstanding anything herein to the contrary however, no such deposit shall have the effect hereinabove described (1) if made during the existence of default hereunder of which the Trustee has received written notice unless made with respect to all of the Bonds then Outstanding and (2) unless there shall be delivered to the Trustee an Opinion of Counsel to the effect that such deposit shall not adversely affect any exemption from federal income taxation of interest on any Bond. Any money and Governmental Obligations deposited with the Trustee for such purpose shall be held by the Trustee in a segregated account in trust for the Holders of the Bonds with respect to which such deposit is made and together with any investment income therefrom, shall be disbursed solely to pay the principal of and interest on the Bonds when due. No money or Governmental Obligations so deposited pursuant to this Section shall be invested or reinvested unless in Governmental Obligations and unless such money not invested, such Governmental Obligations not reinvested, and such new investments are together certified by an independent accountant of national reputation to be of such amounts, maturities, and interest payment dates and to bear such interest as will, without further investment or reinvestment of either the

principal amount thereof or the interest earnings therefrom, be sufficient to make such payment. At such times as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this Indenture, except for purposes of any such payment from such money or Governmental Obligations.

Section 6.3. Application of Deposited Money. Money or Governmental Obligations deposited with the Trustee pursuant to Section 6.2 shall not be a part of the Trust Estate but shall constitute a separate trust fund for the benefit of the Persons entitled thereto. Subject to the provisions of Section 4.3, such money or Governmental Obligations shall be applied by the Trustee to the payment (either directly or through any Paying Agent as the Trustee may determine) to the Holders entitled thereto of the principal (and premium, if any) and interest for the payment of which such money has been deposited with the Trustee.

ARTICLE 7

EVENTS OF DEFAULT; REMEDIES

Section 7.1. Events of Default. Each of the following is hereby defined as and shall be deemed an "Event of Default":

A. Default in the payment of the principal of any Bonds when the same shall become due and payable, whether at the Stated Maturity thereof, on a sinking fund payment date or upon proceedings for redemption;

B. Default in the payment of any installment of interest on any Bonds when the same shall become due and payable;

C. Default shall be made in the observance or performance of any covenant, agreement, contract or other provision in the Bonds or this Indenture contained (other than as referred to in subsection A or B of this Section) and such default shall continue for a period of 30 days after written notice to the Issuer and the Trustee from the Owners of at least 25% in aggregate principal amount of the Bonds then Outstanding or to the Issuer from the Trustee specifying such default and requiring the same to be remedied, provided, with respect to any such failure covered by this subsection C, no Event of Default shall be deemed to have occurred so long as a course of action adequate to remedy such failure has been commenced within such 30-day period and shall thereafter be diligently prosecuted to completion and the default shall be cured thereby.

Section 7.2. Suits for Enforcement; Mandamus.

A. The Trustee in its discretion may proceed to protect and enforce its rights and the rights of the Bondholders under this Indenture by a suit, action, or proceeding in equity or at law or otherwise, whether for the specific performance of any covenant or agreement contained in this Indenture or in aid of the execution of any power granted herein or for the enforcement of any other legal, equitable, or other remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce any of the rights of the Trustee or the Holders of Bonds.

B. In addition to all rights and remedies of any Holder of Bonds provided herein, in the event the Issuer defaults in the payment of the principal of or premium, if any, or interest on any of the Bonds when due, or defaults in the observance or performance of any of the covenants, conditions, or obligations set forth in the Bond Resolution or herein, the Trustee shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the directors and other officers of the Issuer to make such payment or to observe and perform any covenant, obligation, or condition prescribed in the Bond Resolution or herein.

C. Notwithstanding any provision hereof, no default hereunder shall result in an acceleration of the payment of the principal of or interest on the Bonds.

Section 7.3. Covenant to Pay Trustee Amounts Due on Bonds and Right of Trustee to Judgment.

A. If:

1. default occurs in the payment of any interest on any Bond when such interest becomes due and payable, or

2. default occurs in the payment of the principal of (or premium, if any, on) any Bond at its Maturity,

then upon demand of the Trustee, the Issuer shall pay or cause to be paid solely from Pledged Revenues to the Trustee for the benefit of the Holders of such Bonds the amount so due and payable on the Bonds for principal (and premium, if any) and interest and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of administration and collection, including the reasonable compensation, expenses, disbursements, and advances of the Trustee and its agents and counsel. If the Issuer fails to pay or cause to be paid solely from Pledged Revenues such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, shall be entitled to sue for and recover judgment against the Issuer for the amount then so due and unpaid, provided, however, such judgment shall be payable solely from Pledged Revenues.

B. The Trustee shall be entitled to sue and recover judgment as aforesaid either before, after, or during the pendency of any proceedings for the enforcement of the lien hereof, and in case of a sale of the Trust Estate and the application of the proceeds of sale as aforesaid, the Trustee, in its own name and as trustee of an express trust, shall be entitled to enforce payment of, and to receive, all amounts then remaining due and unpaid upon the Outstanding Secured Bonds, for the benefit of the Holders thereof, and shall be entitled to recover judgment for any portion of the same remaining unpaid, with interest as aforesaid. No recovery of any such judgment upon any property of the Issuer shall affect or impair the lien hereof upon the Trust Estate or any rights, powers, or remedies of the Trustee hereunder, or any rights, powers, or remedies of the Holders of the Bonds.

Section 7.4. Application of Money Collected. Any money collected by the Trustee pursuant to this Article together with any other sums then held by the Trustee as part of the Trust Estate, shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any) or interest upon presentation of

the Bonds and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

A. First: To the payment of all unpaid amounts due the Trustee under Section 8.6;

B. Second: To the payment of the whole amount then due and unpaid upon the Outstanding Secured Bonds, for principal of and premium, if any, and interest on the Bonds and with interest (to the extent that such interest has been collected by the Trustee or a sum sufficient therefor has been so collected and payment thereof is legally enforceable at the respective rate or rates prescribed therefor in the Bonds) on overdue principal (and premium, if any), and in case such proceeds shall be insufficient to pay in full the whole amount then due and unpaid upon such Bonds, then to the payment of such principal and interest without any preference or priority, ratably according to the aggregate amount so due; and

C. Third: To the payment of the remainder, if any, to the Issuer, or to whosoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

Section 7.5. Trustee May File Proofs of Claim.

A. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition, or other judicial proceeding relative to the Issuer or the property of the Issuer, the Trustee (irrespective of whether the principal of the Bonds shall then be due and payable, as therein expressed or by declaration or otherwise, and irrespective of whether the Trustee shall have made any demand on the Issuer for the payment of overdue principal, premium, or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

1. to file and prove a claim for the whole amount of principal (and premium, if any) and interest owing and unpaid in respect of the Outstanding Secured Bonds and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements, and advances of the Trustee, its agents and counsel) and of the Bondholders allowed in such judicial proceeding, and

2. to collect and receive any money or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator, or other similar official in any such judicial proceeding is hereby authorized by each Bondholder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Bondholders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements, and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 8.6.

B. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Bondholder any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Bondholder in any such proceeding.

Section 7.6. Trustee May Enforce Claims Without Possession of Bonds. All rights of action and claims hereunder or under the Bonds may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust. Any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements, and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Bonds in respect of which such judgment has been recovered.

Section 7.7. Unconditional Right of Bondholders to Receive Principal, Premium and Interest. Notwithstanding any other provision hereof, the Holder of any Bond shall have the right which is absolute and unconditional to receive, after payment of all amounts due to the Trustee hereunder, payment of the principal of and (subject to Section 7.11) interest on any such Bond on the respective Stated Maturities expressed in such Bond (or, in the case of redemption, on the Redemption Date) solely from Pledged Revenues, and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder; provided, however, that no Bondholder shall be entitled to take any action or institute any such suit to enforce the payment of his Bonds, whether for principal, interest or premium, if and to the extent that the taking of such action or the institution or prosecution of any such suit or the entry of judgment therein would under applicable law result in a surrender, impairment, waiver, or loss of the lien of this Indenture upon the Trust Estate, or any part thereof, as security for Bonds held by any other Bondholder.

Section 7.8. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. Except as otherwise provided herein with regard to the rights or remedies of Bondholders, the assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 7.9. Delay or Omission Not Waiver. No delay or omission of the Trustee or any Holder of any Bond to exercise any right or remedy accruing upon a default under this Article shall impair any such right or remedy or constitute a waiver of any such default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or the Bondholders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Bondholders, as the case may be.

Section 7.10. Control by Bondholders.

A. The Holders of a majority in aggregate principal amount of the Outstanding Bonds affected thereby shall have the right (subject to providing indemnity to the Trustee)

1. to require the Trustee to proceed to enforce this Indenture, either by judicial proceedings for the enforcement of the payment of the Bonds of such series and the foreclosure hereof, the sale of the Trust Estate, or otherwise: and

2. to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee hereunder, provided that

a. such direction shall not be in conflict with any rule of law or this Indenture,

b. the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction,

c. the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Holders not taking part in such direction, and

d. if the remedy requires the consent of a certain number of the Holders, such consent has been provided.

B. Before taking action pursuant to this Section, the Trustee may require that a satisfactory indemnity bond be furnished to it for the reimbursement of all expenses which it may incur and to protect it against all liability by reason of any action so taken, except liability which is adjudicated to have resulted from its negligence or willful misconduct. The Trustee may take action without that indemnity, and in that case, the Issuer shall reimburse the Trustee for all of the expenses of the Trustee pursuant to Section 8.6.

Section 7.11. Waiver of Past Defaults.

A. Before any judgment or decree for payment of money due has been obtained by the Trustee as provided in this Article, the Holders of not less than a majority in aggregate principal amount of the Outstanding Bonds affected thereby may, by Act of such Bondholders delivered to the Trustee and the Issuer, on behalf of the Holders of all the Bonds waive any past default hereunder and its consequences, except a default in respect of a covenant or provision hereof which under Section 9.2 hereof cannot be modified or amended without the consent of the Holder of each Outstanding Bond affected.

B. Upon any such waiver, such default shall cease to exist for every purpose hereof; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 7.12. Undertaking for Costs. All parties hereto agree, and each Holder of any Bond by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy hereunder, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by or against the Trustee, to any suit instituted by any Bondholder, or group of Bondholders of Bonds affected thereby, holding in the aggregate more than ten percent (10%) in principal amount of the Outstanding Bonds, or to any suit instituted by any Bondholder for the enforcement of the payment of the principal of or interest on any Bond on or after the Stated Maturity expressed in such Bond (or, in the case of redemption, on or after the Redemption Date).

Section 7.13. Remedies Subject to Applicable Law. All rights, remedies, and powers provided by this Article may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Indenture invalid, unenforceable, or not entitled to be recorded, registered, or filed under the provisions of any applicable law.

ARTICLE 8

THE TRUSTEE

Section 8.1. Certain Duties and Responsibilities.

A. The Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee. In the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements hereof; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform on their face to the requirements hereof.

B. No provision hereof shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

1. this Subsection shall not be construed to limit the effect of Subsection A of this Section:

2. the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent;

3. the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Bonds or to the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, hereunder; and

4. no provision hereof shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, unless it is provided indemnity in connection therewith as provided in Section 7.10.B.

C. Whether or not therein expressly so provided, every provision hereof relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

Section 8.2. Certain Rights of Trustee. Except as otherwise provided in Section 8.1 hereof:

A. the Trustee may rely and shall be protected in acting or refraining from acting upon:

1. any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, telex or other paper, document, or communication reasonably believed by it to be genuine and to have been signed or presented by the proper Persons; and

2. failure of the Trustee to receive any such paper, document, or communication, if prior receipt thereof is required hereby before the Trustee is to take or refrain from taking any action;

B. any request or direction of the Issuer mentioned herein shall be sufficiently evidenced by an Issuer Request, and any order or resolution of the Board may be sufficiently evidenced by a Board Resolution:

C. whenever in the administration hereof the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering, or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate or, for purposes of Section 10.19.B, an appropriate certificate of the consultant retained to calculate Rebate;

D. the Trustee may consult with legal counsel and the written advice of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted by the Trustee hereunder in good faith and in reliance thereon;

E. the Trustee shall be under no obligation to exercise any of the rights or powers vested in it hereby at the request or direction of any of the Bondholders pursuant hereto, unless such Bondholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses, and liabilities which might be incurred by it in compliance with such request or direction;

F. the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, or other paper or document (including particularly, but not by way of limitation) Acts, Board Resolutions, Issuer Requests and Officers' Certificates, but the Trustee, in its discretion, may make such further inquiry or investigation, into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records, and premises of the Issuer, personally or by agent or attorney; and

G. the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys, and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed, with due care by it hereunder.

Section 8.3. Not Responsible for Recitals or Application of Proceeds. The recitals contained herein and in the Bonds, except the certificate of authentication on the Bonds, shall be taken as the statements of the Issuer, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof, or as to the title of the Issuer thereto or as to the security afforded thereby or hereby, or as to the validity or genuineness of any securities at any time pledged and deposited with the Trustee hereunder, or as to the validity or sufficiency hereof or of the Bonds. The Trustee shall not be accountable for the use or application by the Issuer of the Bonds or the proceeds thereof.

Section 8.4. May Hold Bonds. The Trustee, any Paying Agent, the Bond Registrar, and any other agent appointed hereunder, in its individual or any other capacity, may become the owner or pledgee of Bonds and may otherwise deal with the Issuer with the same rights it would have if it were not Trustee, Paying Agent, Bond Registrar or such other agent.

Section 8.5. Money Held in Trust. Money held by the Trustee hereunder need not be segregated from other funds except to the extent required by law or the provisions hereof. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed with the Issuer.

Section 8.6. Compensation and Reimbursement.

A. The Issuer shall

1. pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder and

2. except as otherwise expressly provided herein, reimburse the Trustee upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Trustee in accordance with any provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement, or advance as may be attributable to the Trustee's negligence or bad faith.

B. As security for the performance of the obligations of the Issuer under this Section, the Trustee shall be secured under this Indenture by a lien and for the payment of such compensation, expenses, reimbursements, and indemnity the Trustee shall have the right to use and apply any trust funds held by it hereunder after payment of other amounts due hereunder as provided by the terms hereof.

Section 8.7. Corporate Trustee Required; Eligibility. There shall at all times be a Trustee hereunder which shall be a bank or trust company organized and doing business under the laws of the United States or of any State, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$50,000,000, subject to supervision or examination by federal or State authority, and having an office in the State of Arizona. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising or examining authority, then for the purposes of this section the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

Section 8.8. Resignation and Removal; Appointment of Successor.

A. No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 8.9.

B. The Trustee may resign at any time by giving written notice thereof to the Issuer. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within thirty (30) days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

C. The Trustee may be removed at any time by Act of the Holders of a majority in principal amount of the Outstanding Bonds, delivered to the Trustee and the Issuer.

D. If at any time:

1. the Trustee shall cease to be eligible under Section 8.7 or the Issuer by Board Resolution shall request the resignation of the Trustee for any reason, or

2. the Trustee shall become incapable of acting or shall be adjudged insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation, or liquidation, then, in either such case, the Issuer by Board Resolution may remove the Trustee.

E. If the Trustee shall resign, be removed, or become incapable of acting, the Issuer, by Board Resolution, shall promptly appoint a successor Trustee. In case all or substantially all of the Trust Estate shall be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee, by written instrument, may similarly appoint a successor to fill such vacancy until a new Trustee shall be so appointed by the Bondholders. If, within one year after such resignation, removal, or incapability, or the occurrence of such vacancy, a successor Trustee shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Bonds and delivered to the Issuer and the retiring Trustee, then the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the successor Trustee appointed by the Issuer or by such receiver or trustee. If no successor Trustee shall have been so appointed by the Issuer or the Bondholders and accepted appointment in the manner hereinafter provided, any Bondholder who has been a bona fide Holder of a Bond for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

F. The Issuer shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee to the Holders of the Bonds. Each notice shall include the name of the successor Trustee and the address of its principal corporate trust office.

Section 8.9. Acceptance of Appointment by Successor.

A. Every successor Trustee shall at all times be qualified and eligible under this Article, including compliance with the provisions set forth in Section 8.7 hereof. Every successor Trustee

appointed hereunder shall execute, acknowledge, and deliver to the Issuer and the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed, or conveyance, shall become vested with all the estates, properties, rights, powers, trusts, and duties of the retiring Trustee; but, on request of the Issuer or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument conveying and transferring to such successor Trustee upon the trusts herein expressed all the estates, properties, rights, powers, and trusts of the retiring Trustee, and shall duly assign, transfer, and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder, subject nevertheless to its lien, if any, provided for in Section 8.6. Upon request of any such successor Trustee, the Issuer shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such estates, properties, rights, powers, and trusts.

B. No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

Section 8.10. Merger, Conversion, Consolidation, or Succession to Business. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion, or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, including compliance with the provisions of Section 8.7 of this Indenture, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Bonds shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion, or consolidation to such authenticating Trustee may adopt such authentication and deliver the Bonds so authenticated with the same effect as if such successor Trustee had itself authenticated such Bonds.

ARTICLE 9

SUPPLEMENTAL INDENTURES AND AMENDMENTS TO BOND RESOLUTION

Section 9.1. Supplemental Indentures or Amendments to Bond Resolution Without Consent of Bondholders. Without the consent of the Holders of any Bonds, the Issuer, when authorized by Board Resolution, and the Trustee may from time to time enter into one or more indentures supplemental hereto in form satisfactory to the Trustee, or the Issuer may amend the Bond Resolution for any of the following purposes:

1. to correct or amplify the description of any property at any time subject to the lien hereof, or better to assure, convey, and confirm unto the Trustee any property subject or required to be subjected to the lien of this Indenture, or to subject to the lien hereof additional property; or

2. to add to the conditions, limitations, and restrictions on the authorized amount, terms, or purposes of issue, authentication, and delivery of Bonds, as herein set forth, and additional conditions, limitations, and restrictions-thereafter to be observed; or

3. to evidence the succession of another entity to the Issuer and the assumption by any such successor of the covenants of the Issuer herein, in the Bond Resolution, or the Bonds contained; or

4. to add to the covenants of the Issuer for the benefit of the Holders of all of the Bonds or, if for the benefit of the Holders, to surrender any right or power herein or in the Bond Resolution conferred upon the Issuer; or

5. to cure any ambiguity, to correct or supplement any provision herein or in the Bond Resolution which may be inconsistent with any other provision herein or in the Bond Resolution, or to make any other provisions, with respect to matters or questions arising under this Indenture or the Bond Resolution, which shall not be inconsistent with the provisions of this Indenture, the Bond Resolution, provided such action shall not adversely affect the interests of the Holders of the Bonds.

Section 9.2. Supplemental Indentures or Amendments to the Bond Resolution With Consent of Bondholders.

A. With the consent of the Holders of not less than a majority in aggregate principal amount of the Bonds affected by such supplemental indenture, by Act of such Holders delivered to the Issuer and the Trustee, the Issuer, when authorized by Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or the Bond Resolution or of modifying in any manner the rights of the Holders of the Bonds under this Indenture or the Bond Resolution; provided, however, that no such supplemental indenture or amendments to the Bond Resolution shall, without the consent of the Holder of each Outstanding Bond affected thereby

1. change the Stated Maturity of the principal of, or any installment of interest on, any Bond, or reduce the principal amount of, or the interest on, any Bond, or change the Place of Payment where, or the coin or currency in which, any Bond or the interest on any Bond is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date); or

2. reduce the percentage in principal amount of the Outstanding Bonds the consent of the Holders of which is required for any such supplemental indenture or amendment to any the Bond Resolution, or the consent of Holders of which is required for any waiver provided for in this Indenture of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences; or

3. modify or alter the provisions of the proviso to the definition of the term "Outstanding"; or

4. modify any of the provisions of this Section, except to increase any percentage provided thereby or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Bond affected thereby.

B. The Trustee may in its discretion determine whether or not any Bonds would be affected by any supplemental indenture or amendment to the Bond Resolution authorizing issuance of the Bonds and any such determination shall be conclusive upon every Holder of Bonds, whether theretofore or

thereafter authenticity dated and delivered hereunder. The Trustee shall not be liable for any such determination made in good faith.

C. It shall not be necessary for any Act of Bondholders under this Section to approve the particular form of any proposed supplemental indenture or any such amendment to a Bond Resolution, but it shall be sufficient if such Act shall approve the substance thereof.

Section 9.3. Execution of Supplemental Indentures and Amendments to Bond Resolution. In executing, or accepting the additional trusts created by, any supplemental indenture or amendment to the Bond Resolution permitted by this Article or the modification thereby of the trusts created hereby, the Trustee shall be entitled to receive and, subject to Section 8.1, shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture or adoption of such amendment is authorized or permitted hereby. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture or be governed by any amended Bond Resolution which affects the Trustee's own rights, duties, or immunities under this Indenture or otherwise.

Section 9.4. Effect of Supplemental Indentures and Amendments to Bond Resolution. Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith and such supplemental indenture shall form a part hereof for all purposes, and upon the amendment of the Bond Resolution under this Article, the Bond Resolution shall be modified in accordance therewith, and such amendment shall form a part of the Bond Resolution for all purposes, and every Holder of Bonds theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

Section 9.5. Reference in Bonds to Supplemental Indentures or Amendments to Bond Resolution. Bonds authenticated and delivered after the execution of any supplemental indenture, amendment to the Bond Resolution pursuant to this Article may bear a notation as to any matter provided for in such supplemental indenture or amended Bond Resolution. If the Issuer shall so determine, new Bonds so modified as to conform to any such supplemental indenture or amended Bond Resolution may be prepared and executed by the Issuer and authenticated and delivered by the Trustee in exchange for Outstanding Bonds.

ARTICLE 10

REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE ISSUER

Section 10.1. Power to Issue Bonds and Create Liens. The Issuer is duly authorized under the Enabling Act and all applicable laws of the State to issue the Bonds, to adopt and execute the Indenture and to pledge Pledged Revenues for the benefit of the Bonds. Pledged Revenues are not and shall not be subject to any other lien senior to or on a parity with the lien created in favor of the Bonds. The Bonds and the provisions hereof are and will be valid and legally enforceable obligations of the Issuer in accordance with their respective terms. The Issuer shall, at all times, to the extent permitted by law, defend, preserve and protect the pledge created hereby and all the rights of the Bondholders against all claims and demands of all other Persons whomsoever.

Section 10.2. Payment of Principal and Interest on Bonds. The payment of the principal or Redemption Price of and interest on the Bonds issued hereunder shall be secured equally and ratably by a first lien on and pledge of the Pledged Revenues pledged under the Indenture; and Pledged Revenues in an amount sufficient to pay the principal or Redemption Price of and interest on the Bonds authorized by the Indenture are hereby irrevocably pledged to the payment of the principal or Redemption Price of and interest on the Bonds authorized under the Indenture, as the same become due and payable. The Issuer shall promptly pay the interest on and the principal or Redemption Price of every Bond issued hereunder according to the terms thereof, but shall be required to make such payment only out of the Pledged Revenues pledged to such Bonds.

THE BONDS SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OF THE ISSUER, INCLUDING, WITHOUT LIMITATION, THE PROJECT OR ANY PORTION THEREOF IN RESPECT OF WHICH SUCH BONDS ARE BEING ISSUED, BUT SHALL CONSTITUTE A LIEN ONLY ON THE PLEDGED REVENUES PLEDGED TO SUCH BONDS AS SET FORTH IN THIS INDENTURE. NOTHING IN THE BONDS OR IN THIS INDENTURE SHALL BE CONSTRUED AS OBLIGATING THE ISSUER TO PAY THE BONDS OR THE REDEMPTION PRICE THEREOF OR THE INTEREST THEREON EXCEPT FROM THE PLEDGED REVENUES PLEDGED TO THE BONDS, OR AS PLEDGING THE FULL FAITH AND CREDIT OF THE ISSUER, THE MUNICIPALITY, MARICOPA COUNTY OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, OR AS OBLIGATING THE ISSUER, THE MUNICIPALITY, MARICOPA COUNTY OR THE STATE, OR ANY OF ITS POLITICAL SUBDIVISIONS, DIRECTLY OR INDIRECTLY OR CONTINGENTLY, TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR.

NOTHING IN THE BONDS OR IN THE INDENTURE SHALL BE CONSTRUED AS OBLIGATING THE OWNER, OR ANY SUBSEQUENT OWNER OF REAL PROPERTY WITHIN THE DISTRICT, ANY JOINT VENTURE ENTITY IN THE OWNER OR ANY SUBSEQUENT OWNER OF REAL PROPERTY WITHIN THE DISTRICT, OR ANY PERSON AFFILIATED WITH, CONTROLLING OR RELATED TO, THE OWNER OR ANY SUBSEQUENT OWNER OF REAL PROPERTY WITHIN THE DISTRICT, OR ANY JOINT VENTURE ENTITY IN THE OWNER, OR ANY SUBSEQUENT OWNER OF REAL PROPERTY WITHIN THE DISTRICT, TO PAY THE BONDS OR THE REDEMPTION PRICE THEREOF OR THE INTEREST THEREON, EXCEPT TO THE EXTENT THAT THEY ARE OBLIGATED TO PAY ASSESSMENTS CONSTITUTING PLEDGED REVENUES UNDER THE INDENTURE.

Section 10.3. Assessments; Re-Assessments.

A. The Issuer has levied or shall levy Assessments in accordance with Arizona Revised Statute Section 48-589, and record such Assessments in the office of the Superintendent of Streets, to the extent and in an amount sufficient to pay Debt Service on all Outstanding Bonds.

B. If any Assessment shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the Issuer shall be satisfied that any such Assessment is so irregular or defective that the same cannot be enforced or collected, or if the Issuer shall have omitted to make such Assessment when it might have done so, the Issuer shall either (a) take all necessary steps to cause a new Assessment to be made for the whole or any part of a Project or against any property benefited by said Project, or (b) in its sole discretion, make up the amount of such Assessment from legally available

moneys, which moneys shall be deposited into the Bond Fund, as applicable. In case such second Assessment shall be annulled, the Issuer shall obtain and make other Assessments until a valid Assessment shall be made.

Section 10.4. Method of Collection. The Issuer covenants to take or cause to be taken all actions required by law to collect and enforce the payment of Assessments and remit all Assessments collected to the Trustee on or before each June 30th and December 31st or, if such date is not a Business Day, then the first Business Day immediately preceding such date. Assessments shall either be collected (i) in a manner substantially similar to the provisions of Arizona Revised Statutes Section 48-600 or any successor statutes thereto; provided, however, publication of the notice shall not be required; or (ii) by the Maricopa County Treasurer as part of its regular tax bills pursuant to the terms of a Community Facilities District Assessment Collection Agreement between the District and the Maricopa County Treasurer.

Section 10.5. Delinquent Assessments. If the owner of any lot or parcel of land assessed for a Project shall be delinquent in the payment of any Assessment, then such Assessment shall be enforced pursuant to the provisions of Arizona Revised Statute Sections 48-601 through 48-607, inclusive, or any successor statute thereto, including but not limited to declaring the entire unpaid balance of such Assessment to be in default and, cause the Assessment lien on such delinquent property to be foreclosed. Notwithstanding the foregoing, neither the Issuer nor the Municipality shall be required under any circumstances to purchase or make payment for the purchase of the delinquent Assessment or the corresponding assessed parcel or lot.

Notwithstanding the foregoing, the Issuer may provide for collection of Assessment installments and the sale of assessed parcels or lots, in the same manner as the collection of ad valorem taxes if such collection procedures would result in the collection of assessments and the sale of assessed property in substantially the same time periods as contemplated by Arizona Revised Statutes Sections 48-601 through and including 48-607.

Section 10.6. Use of Revenues for Authorized Purposes Only. None of the Pledged Revenues shall be used for any purpose other than as provided herein and no contract or contracts shall be entered into or any action taken by the Trustee which will be inconsistent with the provisions hereof.

Section 10.7. Annual Budget. The Board shall make an annual budget, as required by the Enabling Act, which shall include statements and estimates of the amount to be raised to pay Debt Service on the Bonds. The Board shall file the annual statements and estimates with the Clerk of the Municipality. On or before the date set by law for certifying the annual budget of the Municipality (which shall be the third Monday in August unless the Issuer certifies to the Trustee otherwise), the Board shall adopt a budget, which shall fix the amounts to be raised by collection of assessments and the amounts to be paid by other moneys paid to the Issuer pursuant to the terms of the Development Agreement and shall cause copies of the budget to be delivered to the Municipality, any other entity or agency required by law to receive said budget and to the Trustee.

Section 10.8. Financial Statements. Not more than 180 days after the close of the Issuer's Fiscal Year, complete audited financial statements of the Issuer covering such Fiscal Year shall be certified or reported upon by an independent certified public accountant or firm of such accountants. Copies of any financial statements shall be mailed or delivered by the Issuer to any Bondholder upon such Bondholder's written request to the Issuer.

Section 10.9. Books, Records and Reports. The Issuer shall keep proper books of record and account in accordance with generally accepted accounting principles (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Project and which, together with all other books and records of the Issuer, including, without limitation, any insurance policies, relating to the Project, shall at all times be subject during regular business hours to the inspection of the Trustee. The Issuer agrees to maintain such records as are necessary to comply with and thereafter comply with the provisions of the Continuing Disclosure Undertaking executed and delivered by the Issuer in connection with the sale of the Bonds.

Section 10.10. Maintenance of Agency. The Issuer shall maintain an agency in the Place of Payment where Bonds of each series may be presented or surrendered for payment, where Bonds of each series entitled to be registered, transferred, exchanged, or converted may be presented or surrendered for registration, transfer, exchange, or conversion, and where notices and demands to or upon the Issuer in respect of the Bonds of each series and this Indenture may be served. The Trustee is hereby appointed as Paying Agent for such purposes. The Issuer shall give prompt written notice to the Trustee of the location, and of any change in the location, of any such agency. If at any time the Issuer shall fail to maintain such an agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices, and demands may be made or served at the principal corporate trust office of the Trustee, and the Issuer hereby appoints the Trustee its agent to receive all such presentations, surrenders, notices, and demands.

Section 10.11. Money for Bond Payments to be Held in Trust; Repayment of Unclaimed Money.

A. The sums which are segregated by the Trustee or deposited with any other Paying Agent to pay the principal of or interest on any Bonds becoming due on any due date shall be held in trust for the benefit of the Holders of such Bonds. Money so segregated or deposited and held in trust shall not be a part of the Trust Estate but shall constitute a separate trust fund for the benefit of the Holders entitled to such principal or interest, as the case may be. Money held by the Trustee or any other paying Agent for the payment of the principal of (and premium, if any) or interest on the Bonds need not be segregated from other funds, except to the extent required by law.

B. The Issuer shall cause each Paying Agent other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent shall

1. hold all sums held by it for the payment of principal of (and premium, if any) or interest on the Bonds for the benefit of the Holders of such Bonds until such sums shall be paid to the Holders or otherwise disposed of as herein provided; and

2. at any time, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent.

C. The Issuer may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, by Issuer Request direct any Paying Agent to pay to the Trustee all money held by such Paying Agent, such money to be held by the Trustee upon the same

trusts as those upon which such money was held by such Paying Agent, and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

D. In the event any check for payment of interest on a Bond is returned to any Paying Agent 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 Maturity or Redemption Date, if funds sufficient to pay such interest or principal due upon such Bond shall have been made available to such Paying Agent for the benefit of the Holder thereof, it shall be the duty of such Paying Agent to hold such funds or invest the same in Government Obligations, without liability for interest thereon, for the benefit of the Holder of such Bond who shall thereafter be restricted exclusively to such funds for any claim of whatever nature relating to such Bond or amounts due thereunder. Such obligation of the Paying Agent 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 Stated Maturity, or at the Redemption Date, or otherwise, at which time such Paying Agent shall surrender such unclaimed funds so held to the Issuer, whereupon any claim of whatever nature by the Holder of such Bond arising under such Bond shall be made upon the Issuer.

Section 10.12. Employment of District Engineer and Assessment District Engineer; District Engineer's Report.

A. For the purpose of performing and carrying out the duties imposed on the Superintendent of Streets (as defined in the Resolution of Intention) by the Arizona Revised Statutes applicable to improvement districts and imposed on the District or Assessment District Engineer hereby, the Issuer may employ one or more independent engineers or engineering firms or corporations having a favorable repute for skill and experience in such work.

B. The Issuer shall cause the District Engineer to: (a) supervise and inspect the Project during construction to the extent necessary for the District Engineer to provide the certifications required by Section 5.4 hereof, (b) supervise and monitor the performance of the Assessment District Engineer, and (c) make an inspection of the portions of the Project maintained by the Issuer at least once in each Fiscal Year and, on or before the first day of June in each Fiscal Year, to submit to the Board a report setting forth (i) its findings as to whether such portions of the Project maintained by the Issuer have been maintained in good repair, working order and condition, and (ii) its recommendations as to the proper maintenance, repair and operation of any of the Project maintained by the Issuer during the ensuing Fiscal Year and an estimate of the amount of money necessary for such purposes.

C. The Issuer shall, for the purpose of performing and carrying out the duties contemplated by the Resolution of Intention and the other duties set forth in the definition of "Assessment District Engineer" in Section 1.1 hereof, employ an Assessment District Engineer.

Section 10.13. Project to Conform to Plans and Specifications; Changes. The Issuer will proceed to complete the Project or portion thereof for which the Bonds are being issued in accordance with the plans and specifications therefor, as such plans and specifications may be amended from time to time.

Section 10.14. Compliance Requirements. The Issuer will comply with all present and future laws, acts, rules, regulations, orders and requirements lawfully made and applicable in fact to any acquisition or construction hereby undertaken and shall obtain all necessary approvals under federal, state and local laws, acts, rules and regulations necessary for the completion of the Project or portion thereof for which the Bonds are being issued and shall complete any Project or portion thereof in conformity with such approvals, laws, rules and regulations.

Section 10.15. Fidelity Bonds. Every officer, agent or employee of the Issuer having custody or control of any of the Pledged Revenues or Bond proceeds shall be bonded by a responsible corporate surety in an amount not less than the greatest amount reasonably anticipated to be within the custody or control of such officer, agent or employee at one time. The premiums on such surety bonds shall be paid by the Issuer as an expense of operation and maintenance of the applicable Project.

Section 10.16. No Loss of Lien on Pledged Revenues. The Issuer shall not do or omit to do, or suffer to be done or omit to be done, any matter or thing whatsoever whereby the lien of the Bonds on the Pledged Revenues, or any part thereof, or the priority thereof, would be lost or impaired; provided, however, that this Section shall not prohibit the Trustee from transferring moneys to the Rebate Fund held by the Trustee.

Section 10.17. Further Assurances; Recording. The Issuer shall do, execute, acknowledge, and deliver all and every such further acts, conveyances, mortgages, financing statements, and assurances as shall be reasonably required for accomplishing the purposes hereof. The Issuer shall cause this instrument and all supplemental indentures and other instruments of further assurance, including all financing statements, to be promptly recorded, registered, and filed, and to be kept recorded, registered, and filed, and, when necessary, to re-record, re-register, and re-file the same, all in such manner and in such places as may be required by law, fully to preserve and protect the rights of the Bondholders and the Trustee hereunder to all property comprising the Trust Estate, and the Issuer shall execute any financing statement, continuation statement or other document required for such purposes.

Section 10.18. Corporate Existence. For so long as any Bonds are Outstanding hereunder, unless otherwise provided by the Enabling Act, the Issuer shall maintain its corporate existence under the Enabling Act.

Section 10.19. Compliance with Federal Law.

A. The Issuer recognizes that the purchasers and owners of the Bonds will have accepted them on, and paid therefor a price which reflects, the understanding that interest thereon is excludable from gross income of the owners thereof for federal income tax purposes under laws in force at the time the Bonds shall have been delivered. In this connection the Issuer agrees that it shall take no action which may render the interest on any of the Bonds to be includable in gross income for federal income tax purposes. The Issuer agrees that, to the extent possible under state law, it will comply with whatever federal law is now in effect or which shall be adopted in the future which applies to the Bonds and is necessary to prevent interest on the Bonds from becoming included as gross income for purposes of calculating federal income taxes.

B. The Issuer authorizes the creation by the Trustee of a fund which is hereinafter referred to as the "*Rebate Fund*". The Issuer will comply with the rebate requirement ("*Rebate*") set forth in the certificate as to tax matters delivered in connection with the delivery of the Bonds.

C. The Chairman of the Board of the Issuer or his designee is hereby authorized to make certain truthful certifications, representations, agreements and elections as required by law and Bond Counsel to assure the purchasers and owners of the Bonds that the proceeds of the Bonds will not be used in a manner which would or might result in the Bonds being "arbitrage bonds" under Section 148 of the Code or the regulations of the United States Treasury Department currently in effect or proposed. The certifications, representations and agreements of the Issuer may be made by executing and delivering certificates and agreements required by Bond Counsel. The certificates and agreements shall constitute an agreement of the Issuer to follow covenants and requirements set forth therein which may require the Issuer to take certain actions (including the payment of certain amounts to the United States Treasury) or which may prohibit certain actions (including the establishment of certain funds) under certain conditions.

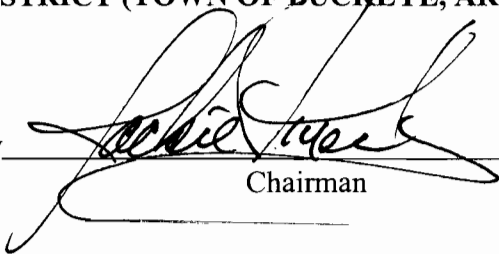
D. The Issuer further recognizes that Section 149(a) of the Code requires the Bonds to be issued and to remain in fully registered form in order for interest thereon to be excludable from gross income for purpose of federal income taxation under laws in force at the time the Bonds are delivered. In this connection, the Issuer agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form if such action would cause interest on the Bonds to be included in gross income for federal income tax purposes.

E. This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

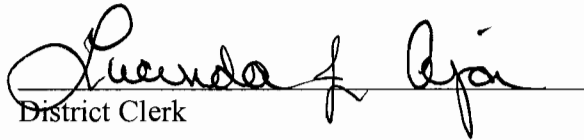
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IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, and to be effective as of the day and year first above written, which date shall be deemed the date hereof for all purposes.

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

By  _____
Chairman

ATTEST:

 _____
District Clerk

WELLS FARGO BANK, N.A.

By  _____
Vice President

FILED
ARIZONA SECRETARY OF STATE
04/11/2011 03:21 PM
201116500332

UCC FINANCING STATEMENT
FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)
Scott W. Ruby 602-257-7432

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

**Scott W. Ruby, Esq.
Gust Rosenfeld P.L.C.
One E. Washington Street
Suite 1600
Phoenix, Arizona 85004-2553**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME
Festival Ranch Community Facilities District (Town of Buckeye, Arizona)

OR
1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
530 E. Monroe Avenue Buckeye AZ 85326 USA

1d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION 1f. JURISDICTION OF ORGANIZATION 1g. ORGANIZATIONAL ID #, if any
muni corp Arizona NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR
2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any
 NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME
Wells Fargo Bank, N.A.

OR
3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
100 West Washington Street, 22nd Floor Phoenix AZ 85003 USA

4. This FINANCING STATEMENT covers the following collateral:

See Exhibit A attached hereto.

5. ALTERNATIVE DESIGNATION (if applicable): LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOB SELLER/BUYER A.G. LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (ADDITIONAL FEE) (optional) All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA
006718 - 260 Assmnt District No. 7

EXHIBIT A
TO UCC FINANCING STATEMENT

Debtor: FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE, ARIZONA), a municipal corporation
530 E. Monroe Avenue
Buckeye, Arizona 85326

Secured Party: WELLS FARGO BANK, N.A.
Attn: Corporate Trust Services (MAC #S4101-022)
100 West Washington Street, 22nd Floor
Phoenix, Arizona 85003

Reference is made to the Indenture of Trust and Security Agreement, dated as of March 1, 2011 (the "*Indenture*"), between the Festival Ranch Community Facilities District (Town of Buckeye, Arizona), as Debtor (the "*Debtor*") and Wells Fargo Bank, N.A., as trustee (the "*Secured Party*") relating to the issuance by the Debtor of its \$404,000 Assessment District No. 7 Special Assessment Revenue Bonds, Series 2011 (the "*Bonds*"). For certain terms, denoted by initial capitals herein, the definitions of said terms are adopted as set or incorporated in the Indenture.

All of the Debtor's right, title and interest in and to the following described property:

A. All money and investments held for the credit of the Bond Fund established with the Trustee as hereinafter described shall be to secure only the payment of the principal of and interest on the Outstanding Secured Bonds but excluding any money in the Rebate Fund: and

B. All of the Debtor's interest in all money and investments held for the credit of the Issuance and Expenses Fund and the Reserve Fund established with the Secured Party as described in the Indenture; and

C. Any and all said property of every kind and description, real, personal, or mixed, hereby and hereafter (by supplemental indenture or otherwise) granted, bargained, sold, assigned, released, conveyed, collaterally assigned, transferred, mortgaged, hypothecated, pledged, set over, or confirmed as aforesaid, or intended, agreed, or covenanted so to be, together with all the appurtenances thereto appertaining (said properties together with any cash and securities hereafter deposited or required to be deposited with the Secured Party (other than any such cash which is specifically stated herein not to be deemed part of the Trust Estate) being herein collectively referred to as the "*Trust Estate*"), unto the Secured Party and its successors and assigns forever.

\$404,000
FESTIVAL RANCH COMMUNITY FACILITIES ISSUER
(TOWN OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 7
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2011

CLOSING CERTIFICATE OF THE ISSUER

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

(1) To partially finance the projects listed on *Exhibit A* hereto, we have executed \$404,000 principal amount of Festival Ranch Community Facilities District (Town of Buckeye, Arizona) Assessment Issuer No. 7, Special Assessment Revenue Bonds, Series 2011 (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 April 7, 2011, and are in the denomination of \$1,000 each or integral multiples of \$1,000. The Bond will mature on July 1, 2035.

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 Issuer, amounts are transferred from the Acquisition and Construction 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 and the deposit of such prepayment amounts to the Prepayment Account of the Bond Fund; 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 Indenture.

The Bonds are subject to optional redemption on or after July 1, 2021, 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>	<u>Redemption Date (July 1)</u>	<u>Principal Amount</u>
2012	6,000	2024	15,000
2013	6,000	2025	16,000
2014	7,000	2026	18,000
2015	7,000	2027	19,000
2016	8,000	2028	21,000
2017	8,000	2029	23,000
2018	9,000	2030	24,000
2019	10,000	2031	26,000
2020	11,000	2032	29,000
2021	12,000	2033	31,000
2022	13,000	2034	34,000
2023	14,000	2035	37,000

Interest is payable on January 1 and July 1 of each year during the term of each of the Bonds, commencing on July 1, 2011.

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

(i) (a) That on January 18, 2011, Resolution No. 02-11 of the Issuer Board (the "*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 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 Resolution duly authorized the issuance and sale of the Bonds, the Indenture of Trust and Security Agreement, dated as of April 1, 2011 (the "*Indenture*") from the Issuer to Wells Fargo Bank, N.A., as trustee (the "*Trustee*").

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

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

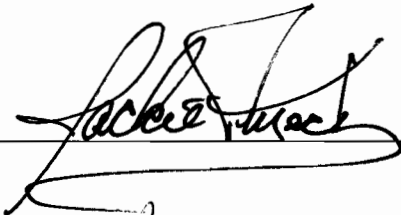
(ii) The representations, warranties and covenants contained in the Investor Letters for the Bonds are true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof.

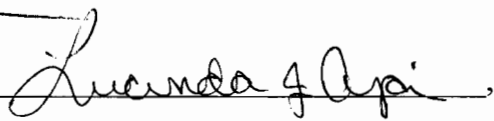
(iii) No litigation is pending or threatened before any judicial, quasi-judicial or administrative forum (A) to restrain or enjoin the issuance or delivery of the Bonds, the application of the proceeds thereof or the performance by the Issuer of the provisions of the Indenture or the collection of special assessments for payment of the Bonds; (B) in any way contesting or affecting the authority for, or the validity of, the Purchase Contract or 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 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: April 7, 2011.





OFFICIAL TITLE

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

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

EXHIBIT A

LIST OF PROJECTS TO BE PARTIALLY FINANCED
WITH BOND PROCEEDS

Public Infrastructure Project	Linear Feet	Estimated Acquisition Price
268 th Avenue, Pontiac Street, 267 th Lane, Yukon Drive, 271 st Lane, Behrend Drive	2,100	\$450,000
271 st Avenue, Tonto Lane, Sequoia Drive, 270 th Drive, Oraibi Drive, 270 th Lane	7,685	<u>700,000</u>
		<u>\$1,150,000</u>

\$404,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 7
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2011

TAX CERTIFICATE OF THE DISTRICT

The undersigned are the Chairman of the District Board and Clerk of Festival Ranch Community Facilities District (Town 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 \$404,000 principal amount of Festival Ranch Community Facilities District (Town of Buckeye, Arizona) Assessment District No. 7, Special Assessment Revenue Bonds, Series 2011 (the "*Bonds*"), dated April 7, 2011. 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 an Indenture of Trust and Security Agreement dated as of April 1, 2011 (the "*Indenture*") by and between the District and Wells Fargo Bank, N.A. (the "*Trustee*") and are being placed with qualified investors by Stone & Youngberg LLC (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 Regarding Yield on the Bonds (the "*Placement Agent Certificate*") dated as of April 7, 2011. 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.

Section 1.3. Purpose of the Bonds. The Bonds are being issued to provide funds (A) to acquire and construct certain street, water, sewer and other public improvements within the District and (B) to pay certain Issuance Costs of the Bonds.

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 April 7, 2011, and are in the denomination of \$1,000 each or \$1,000 integral multiples in excess thereof. 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 July 1, 2011.

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 and Construction Fund and Issuance and Expenses Fund. A breakdown of the uses of such funds and the relevant Temporary Period, if applicable, is provided below:

(i) Placement Agent Compensation. An amount of \$12,120.00 will be paid to the Placement Agent from the Issue Price otherwise paid to the District to purchase the Bonds as Placement Agent's compensation.

(ii) Reserve Fund. An amount of \$40,340.00 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.

(iii) Issuance Costs. An amount of \$-0- will be deposited in the Issuance and Expense Fund and used to pay Issuance Costs of the Bonds.

(iv) Project Costs.

(a) An amount of \$351,540.00 will be deposited in the Acquisition and Construction Fund and used by the District to acquire and construct certain public street, water and sewer facilities and 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 April 7, 2014, the District shall make appropriate yield reduction payments for any moneys in the Construction 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 Construction Fund may be invested in obligations without regard to yield limitation for the period ending on April 7, 2014 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 Placement Agent, is at least 8.5026%.

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. Compliance with Rebate Requirements of the Code and Treasury Regulations. The District will comply with the Rebate Requirements of the Code and Treasury Regulations by making or causing to be made such calculations and such payments as are necessary therefor.

Section 5.2. Prohibited Payments; Specific Investments. No transaction involving any Non-purpose Investment may be entered into that results in a smaller profit or a larger loss than would have resulted if such transaction had been at arm's length and had the yield on the Bonds not been relevant to either party. Moneys to be rebated to the United States shall be invested in investments that mature on or before the expected rebate date. All investments of Gross Proceeds and any amounts in the Rebate Fund shall be bought and sold at Fair Market Value. Except for Certificates of Deposit and Guaranteed Investment Contracts purchased for their Fair Market Value (see "Fair Market Value" in *Exhibit A* attached hereto) and except for United States Treasury Obligations which are purchased directly from the United States Treasury, the District will not purchase or cause to be purchased any investment that is not of a type traded on an established securities market (within the meaning of Section 15A.453-1(e)(4)(iv) of the Treasury Regulations).

Section 5.3. Two-Year Spending Exception to Rebate Requirement.

(a) Election to Use Actual Facts Instead of Expectations for the 75% Construction Expenditures Test. In general, in order to avail itself of the two-year rebate expenditure exception, the issuer must "reasonably expect" that at least seventy-five percent (75%) of the Available Construction Proceeds of the issue will be used for, or allocated to, Construction Expenditures. However, the issuer may elect on or before the Issuance Date to base the seventy-five percent (75%) test on "actual facts" as opposed to "reasonable expectations."

The District hereby elects pursuant to Section 1.148-7(f)(2) of the Treasury Regulations to base the seventy-five percent (75%) Construction Expenditures test of Section 1.148-7(f) on "actual facts."

(b) Election to Use Actual Facts Instead of Expectations to Determine Available Construction Proceeds for the First Three Semiannual Expenditure Dates. In general, for purposes of determining compliance with the first three spending periods set forth in Section 5.6(B) hereof, Available Construction Proceeds include the amount of future earnings that the issuer reasonably expected as of the Issuance Date. However, the issuer may elect on or before the Issuance Date to use actual facts instead of reasonable expectations to determine Available Construction Proceeds for the first three semiannual expenditure dates.

The District hereby elects pursuant to Section 1.148-7(f)(2) of the Treasury Regulations to use actual facts instead of reasonable expectations to determine Available Construction Proceeds for the first three semiannual expenditure dates.

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 hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. It is reasonably anticipated that the aggregate amount of qualified tax-exempt obligations (as defined in Section 265 (b)(3)(B) of the Code) which will be issued for or by the District in calendar year 2011 will not exceed \$10,000,000.

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 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 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.

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: April 7, 2011

**FESTIVAL RANCH COMMUNITY
FACILITIES DISTRICT (TOWN 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

<u>Maturity Date</u> <u>(July 1)</u>	<u>Par Amount</u>	<u>Offering Price</u>	<u>Total for</u> <u>Maturity</u>
2012 *	6,000	100%	6,000
2013 *	6,000	100%	6,000
2014 *	7,000	100%	7,000
2015 *	7,000	100%	7,000
2016 *	8,000	100%	8,000
2017 *	8,000	100%	8,000
2018 *	9,000	100%	9,000
2019 *	10,000	100%	10,000
2020 *	11,000	100%	11,000
2021 *	12,000	100%	12,000
2022 *	13,000	100%	13,000
2023 *	14,000	100%	14,000
2025 *	16,000	100%	16,000
2026 *	18,000	100%	18,000
2027 *	19,000	100%	19,000
2028 *	21,000	100%	21,000
2029 *	23,000	100%	23,000
2030 *	24,000	100%	24,000
2031 *	26,000	100%	26,000
2032 *	29,000	100%	29,000
2033 *	31,000	100%	31,000
2034 *	34,000	100%	34,000
2035	37,000	100%	37,000

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

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 and Construction 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 and

the deposit of such prepayment amounts to the Prepayment Account of the Bond Fund; 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 Indenture.

Optional Redemption. The Bonds will also be redeemable on or after July 1, 2019, 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 Trustee 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>	<u>Redemption Date (July 1)</u>	<u>Principal Amount</u>
2012	6,000	2024	15,000
2013	6,000	2025	16,000
2014	7,000	2026	18,000
2015	7,000	2027	19,000
2016	8,000	2028	21,000
2017	8,000	2029	23,000
2018	9,000	2030	24,000
2019	10,000	2031	26,000
2020	11,000	2032	29,000
2021	12,000	2033	31,000
2022	13,000	2034	34,000
2023	14,000	2035	37,000

EXHIBIT C

SOURCES AND USES OF BOND PROCEEDS AND OTHER MONEYS

SOURCES

Principal amount of Bonds	\$ 404,000
Borrower cash contribution	<u>42,000</u>

TOTAL SOURCES	<u>\$ 446,000</u>
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USES

Deposit to Acquisition Fund and Construction Fund	\$351,540
Deposit to Debt Service Reserve Fund	40,340
Deposit to the Issuance and Expenses Fund (from Borrower cash contribution)	42,000
Placement Agent's compensation	<u>12,120</u>

TOTAL USES	<u>\$ 446,000</u>
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EXHIBIT D

Principal Amount of Bonds	\$404,000.00
ISSUE PRICE	<u>404,000.00</u>
SALE PROCEEDS	404,000.00
Less: Sale Proceeds deposited in Reserve Fund	(40,340.00)
Less: Minor Portion	<u>(20,200.00)</u>
NET SALE PROCEEDS	\$343,460.00

\$404,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 7
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2011

**ISSUER REQUEST FOR PAYMENT OF
COSTS OF ISSUANCE**

Pursuant to Section 5.6 of the Indenture of Trust and Security Agreement dated as of April 1, 2011 (the "*Indenture*"), from Festival Ranch Community Facilities District (Town of Buckeye, Arizona) to Wells Fargo Bank, N.A., as trustee (the "*Trustee*"), the Trustee is hereby requested to disburse from the Issuance and Expenses Fund established in the Indenture to the persons named on Exhibit A hereto the respective amounts set forth thereon in payment of Costs of Issuance (as such term is defined in the Indenture), which amounts are for Costs of Issuance properly chargeable to the Issuance and Expenses Fund.

DATED: April 7, 2011.

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

By _____


Chairman

EXHIBIT A
Costs of Issuance

FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 7
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2011

Bond Counsel (including expenses)	\$26,000.00
-- Gust Rosenfeld P.L.C.	
Trustee – Wells Fargo Bank, N.A.	4,000.00
(acceptance and first year annual fees)	
Financial Advisor – Wedbush Securities, Inc.	10,000.00
DTC/CUSIP and related charges	800.00
Miscellaneous	<u>1,200.00</u>
	<u>\$42,000.00</u>

\$404,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 7
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2011

CLOSING CERTIFICATE OF
TOWN OF BUCKEYE, ARIZONA

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

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

2. That the Town 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 Town, ordering formation of Festival Ranch Community Facilities District (Town of Buckeye, Arizona) (the "*District*") was duly adopted by the Mayor and Council of the Town at a duly called meeting (the "*Meeting*") of the Mayor and Council of the Town 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 Town has no rules of procedure which would invalidate or make ineffective the Resolution.

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

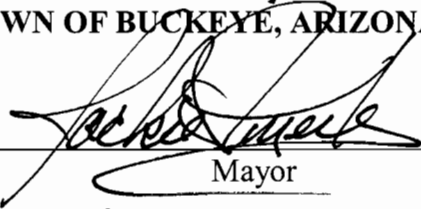
4. That, on the date hereof, the persons named below are the duly qualified and acting incumbents of the offices of the Town set forth below their respective signatures and the signatures appearing above their respective names are the genuine official signatures of said officers.

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 Town or the Town, the titles of the Mayor and members of

the Council of the Town to their respective offices or the validity, due authorization and execution of the Resolution; contesting the due organization or valid existence of the District.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands and the seal of the City on April 7, 2011.

TOWN OF BUCKEYE, ARIZONA

By  _____
Mayor

By  _____
Town Clerk

By  _____
Town Manager

\$404,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 7
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2011

CLOSING CERTIFICATE OF COMPANY

The undersigned, 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 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 February 23, 2011, at Document Nos. 2011-0159732 through 2011-0159740 and on March 10, 2011 at Document No. 2011-0211216.

(c) The Letter of Indemnity dated as of April 7, 2011 from the Company to the Festival Ranch Community Facilities District (Town of Buckeye, Arizona) (the "*District*") and Stone & Youngberg LLC (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. 7 (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 January 18, 2011.

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. 7, 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 9, 2011. 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 8, 2011. 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 April 7, 2011.

PULTE HOME CORPORATION,
a Michigan corporation

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

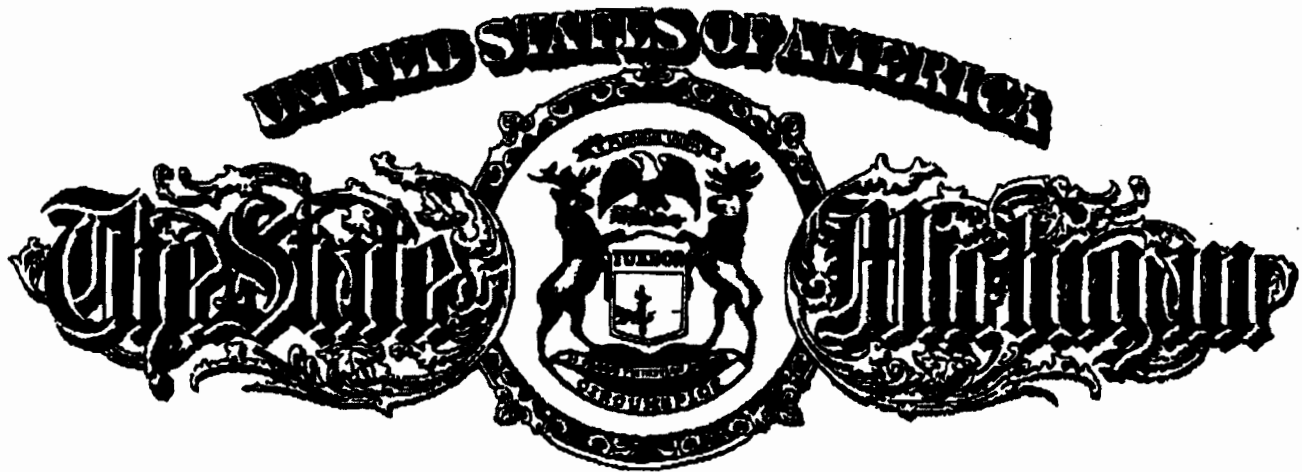
ATTACHMENTS

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

EXHIBIT A

CERTIFICATE OF GOOD STANDING – MICHIGAN

[See attached.]



Department of Energy, Labor & Economic Growth

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
150148

In testimony whereof, I have hereunto set my hand, in the City of Lansing, this 9th day of March, 2011.

 Director

Bureau of Commercial Services

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, Ernest G. Johnson, 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 8th Day of March, 2011, A. D.



Handwritten signature of Ernest G. Johnson.

Executive Director

By: _____ 581666

OWNER INDEMNITY LETTER
FOR
\$404,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA) ASSESSMENT DISTRICT NO. 7
SPECIAL ASSESSMENT REVENUE BONDS,
SERIES 2011

April 7, 2011

Stone & Youngberg LLC
2555 East Camelback Road
Phoenix, Arizona 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: \$404,000 Festival Ranch Community Facilities District (Town of Buckeye, Arizona) Assessment District No. 7 Special Assessment Revenue Bonds, Series 2011

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 Indenture of Trust and Security Agreement dated as of March 1, 2011 from Festival Ranch Community Facilities District (Town of Buckeye, Arizona) to Wells Fargo Bank, N.A. 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.

(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.

(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

Stone & Youngberg LLC
District Board
Festival Ranch Community Facilities
District (Town of Buckeye, Arizona)
Page 3

Party to 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: BR E L
Name: Bruce E. Robinson
Title: Vice President and Treasurer

\$404,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO.7
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2011

REQUEST AND AUTHORIZATION
TO THE TRUSTEE TO
AUTHENTICATE AND DELIVER THE BONDS

TO: Wells Fargo Bank, N.A., as Trustee
Phoenix, Arizona

With reference to the issue of the above-captioned Bonds (the "*Bonds*"), and pursuant to Section 3.3 of the Indenture of Trust and Security Agreement dated as of April 1, 2011 (the "*Indenture*"), from Festival Ranch Community Facilities District (Town of Buckeye, Arizona) (the "*Issuer*") to Wells Fargo Bank, N.A., as Trustee (the "*Trustee*"), the Issuer has caused the Bonds to be delivered to you for authentication and delivery to, or on the order of, Stephen B. Heaney, M. Cafiso/C. Somers Living Trust, Mike LaVallee, Casillas Technologies LP, Grant Hamill and Mark Reader (collectively, the "*Purchaser*") against payment therefor, all in accordance with the following instructions:

1. You are hereby directed to authenticate the Bonds which are in the form of a single registered bond for each mandatory redemption amount and maturity in the aggregate principal amount of \$404,000 to purchasers executing and delivering to you the investor letter in the form set forth in the Indenture.

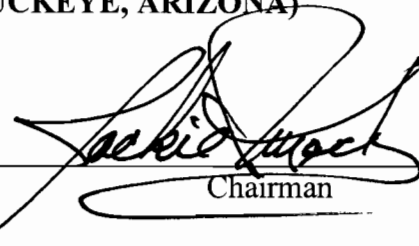
2. You are to deliver the Bonds to, or on the order of, said Purchaser upon receipt by you, and in a form satisfactory to you, of payment for the account of the Issuer of (i) \$404,000 (representing the par amount of the Bonds less Placement Agent's compensation of \$12,120) for a total of \$391,880, being the amount received for the Bonds, and (ii) \$42,000 (representing the costs of issuance of the Bonds) from Pulte Home Corporation.

3. Upon receipt of the amounts described in 2 above, you shall disburse the proceeds in the manner set forth in Section 5.9 of the Indenture.

Dated: April 7, 2011

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

By

A handwritten signature in black ink, appearing to read "Jackie Lopez", written over a horizontal line. The signature is stylized and cursive.

Chairman

\$404,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 7
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2011

CERTIFICATE AND RECEIPT OF TRUSTEE

The undersigned, an authorize representative of Wells Fargo Bank, N.A., as trustee (the "Trustee") under the Indenture of Trust and Security Agreement dated as of April 1, 2011 (the "Indenture"), from Festival Ranch Community Facilities District (Town of Buckeye, Arizona) (the "District") to the Trustee hereby certifies that:

1. The Trustee is existing under and by virtue of the laws of the United States of America and is duly qualified to do bank and trust business in the State of Arizona, and in all jurisdictions where the nature of its operations as contemplated by the Indenture legally requires such qualification and has the corporate power to take all action required or permitted of it under the Indenture and the above-referenced Bonds.

2. By all necessary action, the Trustee has authorized the execution, delivery and due performance by it of the Indenture, and the authentication and delivery by it of the Bonds and such other agreements and documents as may be required to be executed, delivered and performed in order to consummate the transactions contemplated by the Indenture and the Bonds.

3. To the best knowledge of the undersigned, there is no litigation against the Trustee pending or threatened in any court nor is there any proceeding, inquiry or investigation affecting the Trustee before or by any public board or body, either pending or overtly threatened, calling into question the Trustee's role or the performance of its role, in the transactions contemplated by the Bonds and the Indenture.

4. Pursuant to the provisions of the Indenture, the Trustee has authenticated \$404,000 principal amount of the Bonds, in the form of registered Bonds maturing on July 1, 2035.

5. The Trustee delivered the Bonds so authenticated on the date hereof to, or to the order of, Stephen B. Heaney, M. Cafiso/C. Somers Living Trust, Mike LaVallee, Casillas Technologies LP, Grant Hamill and Mark Reader (collectively, the "Purchaser") registered in the name of purchasers who execute and deliver the investor letter in the form set forth in the Indenture.

6. The Trustee received from the Placement Agent, on behalf of the purchaser of the Bonds, the sum of \$404,000 (representing the par amount of the Bonds less Placement Agent's compensation of \$12,120) for a total of \$391,88, the sum of \$42,000 from Pulte Home Corporation and deposited the following amounts to the funds created by the Indenture in accordance with the terms thereof:

<u>FUND OR ACCOUNT</u>	<u>AMOUNT</u>
Reserve Fund	\$40,340
Issuance and Expense Fund	42,000
Acquisition and Construction Fund	<u>351,540</u>
Total:	<u>\$433,880</u>

7. Attached hereto as Exhibit A is a true, complete and correct copy of a resolution of the Trustee demonstrating the authority of the undersigned to act on behalf of the Trustee. Said resolution was in effect on the date or dates that the said officer acted and it remains in full force and effect on the date hereof.

8. The Bonds were authenticated by one of the persons indicated on Exhibit B which is attached hereto, who held, at the time of such authentication, and now hold the offices indicated on Exhibit B and were and are duly authorized to authenticate the Bonds and execute all documents relating to the Bonds on behalf of the Trustee.

9. The signatures appearing on Exhibit B are the true and lawful signatures of the persons listed thereon, and that the signatures appearing on the Bonds constitute the true and lawful signature of the signer described in paragraph 8 hereof.

Dated: April 7, 2011

WELLS FARGO BANK, N.A.

By: Mary L. Eaton
Its: vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION

ASSISTANT SECRETARY'S CERTIFICATE

I, Scott C. Emmons, hereby certify that I am an Assistant Secretary of Wells Fargo Bank, National Association, a national banking association, (the "Bank"), and I hereby further certify as follows:

1. The following is a true and correct extract from resolutions duly adopted by the Board of Directors of the Bank on November 25, 2003, and no modification, amendment, rescission or revocation of such resolutions has occurred affecting such extract as of the date of this certificate.

RESOLVED, that for the purposes of these resolutions, "Executive Officer" shall mean any person specifically designated as an Executive Officer of the Bank by resolution of the Board of Directors, and "Signing Officer" shall mean the Chairman of the Board, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, the Treasurer, any Vice President, any Assistant Vice President, any person whose title includes the word "Officer" (e.g., Commercial Banking Officer, Personal Banking Officer, Trust Officer), or any other person whose title has been or is hereafter designated by the Board of Directors as a title for an officer of the Bank, and such officers are hereby authorized to sign agreements, instruments and other documents on behalf of the Bank in accordance with the signing authorities conferred in Parts A, B and C of these resolutions;

* * *

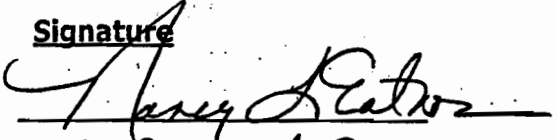
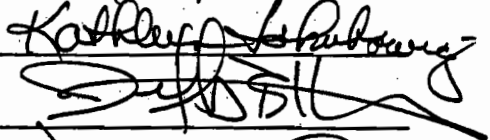
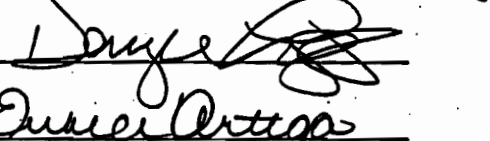
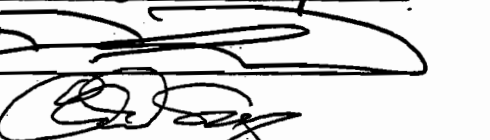
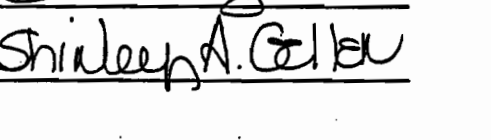
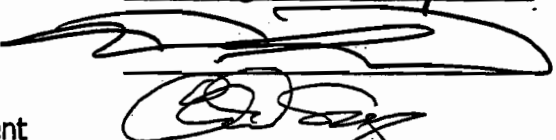
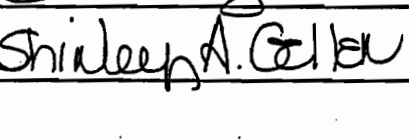
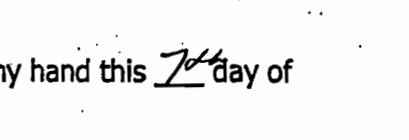
C. Signing Officers

FURTHER RESOLVED, that any Signing Officer, acting alone, may execute on behalf of the Bank, whether acting for its own account or in a fiduciary or other representative capacity:

* * *

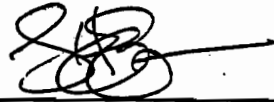
Trust indentures, declarations of trust, trust and agency agreements, pooling and servicing agreements, fiscal and paying agency agreements, acceptances thereof, consents thereto and any similar agreements, however denominated, to which the Bank is a party in a fiduciary or other representative capacity; certificates of authentication or other indicia of valid issuance with respect to bonds, notes, debentures and other securities or obligations issued under any indenture, mortgage, trust or other agreement; certificates for securities deposited, interim certificates and other certificates for and on behalf of the Bank as depository or agent; countersignatures of stocks, bonds, notes, debentures, voting trust certificates, participation certificates and other certificates, instruments, obligations or other securities on behalf of the Bank as trustee, fiscal and paying agent, transfer agent, registrar or in another similar capacity; and certificates of cancellation and cremation of stocks, bonds, debentures or other securities.

2. The following named persons are Signing Officers of the Bank as of the date hereof, and their correct titles and genuine signatures appear beside their names:

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Nancy Eatros	Vice President	
Kathleen Jakubowicz	Vice President	
Jeffrey B. Kassels	Vice President	
Denyce Liggitt	Vice President	
Eunice Ortega	Vice President	
Mark Petrasso	Vice President	
Charles Fitzner	Assistant Vice President	
Shirley A. Geller	Assistant Vice President	

IN WITNESS WHEREOF, I have hereunto set my hand this 7th day of

April 20 11.



Scott C. Emmons
Assistant Secretary

\$404,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO.7
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2011

CERTIFICATE OF PLACEMENT AGENT REGARDING YIELD

Stone & Youngberg LLC has been chosen by Festival Ranch Community Facilities District (Town of Buckeye, Arizona (the "*District*")), to act as Placement Agent ("*Placement Agent*") on the issuance of the above-referenced bonds (the "*Bonds*"). As part of its duties as Placement Agent, the Placement Agent has agreed to determine the yield on the above-referenced Bonds. The term "yield" in this context means that discount rate which, when used in computing the present value of all unconditionally payable payments of principal, interest and fees for qualified guarantees on the issue and amounts reasonably expected to be paid as fees for qualified guarantees on the issue, produces an amount equal to the present value, using the same discount rate, of the aggregate issue price of the Bonds as of the issue date. In determining the yield on the Bonds, aggregate issue price of the Bonds is the aggregate of the issue price of each maturity of the Bonds.

The initial purchaser of the Bonds has certified that he 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. Based upon such certification by the Purchaser, the undersigned hereby certifies that the Bonds were sold at par and the yield on the above-referenced Bonds is 8.5026 %.

To the extent applicable by provision of law, the undersigned acknowledge that this contract is subject to cancellation pursuant to Section 38-511, Arizona Revised Statutes, as amended, the provisions of which are incorporated herein.

DATED: April 6, 2011

STONE & YOUNGBERG LLC

By Mark Leal

\$404,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 7
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2011

RECEIPT FOR BONDS

I, Stephen B. Heaney, one of the purchasers of \$404,000 principal amount Festival Ranch Community Facilities District (Town of Buckeye, Arizona) Assessment District No. 7, Special Assessment Revenue Bonds, Series 2011 (the "Bonds"), hereby acknowledges receipt of \$ 80,000 principal amount of the Bonds for my beneficial interest on the date set forth below, which Bonds 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 Wells Fargo Bank, N.A.

DATED: April 7, 2011

By 

\$404,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 7
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2011

RECEIPT FOR BONDS

I, Michael Cafiso, as trustee for one of the purchasers of \$404,000 principal amount Festival Ranch Community Facilities District (Town of Buckeye, Arizona) Assessment District No. 7, Special Assessment Revenue Bonds, Series 2011 (the "Bonds"), hereby acknowledges receipt of \$74,000 principal amount of the Bonds for its beneficial interest on the date set forth below, which Bonds 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 Wells Fargo Bank, N.A.

DATED: April 16, 2011

M. Cafiso/C. Somers Living Trust

By Michael Cafiso.....as Trustee

\$404,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 7
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2011

RECEIPT FOR BONDS

I, Mike LeVelle, one of the purchasers of \$404,000 principal amount Festival Ranch Community Facilities District (Town of Buckeye, Arizona) Assessment District No. 7, Special Assessment Revenue Bonds, Series 2011 (the "*Bonds*"), hereby acknowledges receipt of \$ 15,000.00 principal amount of the Bonds for my beneficial interest on the date set forth below, which Bonds 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 Wells Fargo Bank, N.A.

DATED: April 6, 2011

By 

\$404,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 7
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2011

RECEIPT FOR BONDS

I, Casillas Technologies LP one of the purchasers of \$404,000 principal amount Festival Ranch Community Facilities District (Town of Buckeye, Arizona) Assessment District No. 7, Special Assessment Revenue Bonds, Series 2011 (the "Bonds"), hereby acknowledges receipt of \$ 30,000.00 principal amount of the Bonds for my beneficial interest on the date set forth below, which Bonds 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 Wells Fargo Bank, N.A.

DATED: April 6 2011

By Ronald L. Casillas
President of Casillas Management, Inc.
General Partner of
Casillas Technologies LP

\$404,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 7
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2011

RECEIPT FOR BONDS

I, Grant Hamill, one of the purchasers of \$404,000 principal amount Festival Ranch Community Facilities District (Town of Buckeye, Arizona) Assessment District No. 7, Special Assessment Revenue Bonds, Series 2011 (the "*Bonds*"), hereby acknowledges receipt of \$ 80,000 principal amount of the Bonds for my beneficial interest on the date set forth below, which Bonds 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 Wells Fargo Bank, N.A.

DATED: April 5, 2011

By _____

Grant Hamill

\$404,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 7
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2011

RECEIPT FOR BONDS

I, MARK LEAD one of the purchasers of \$404,000 principal amount Festival Ranch Community Facilities District (Town of Buckeye, Arizona) Assessment District No. 7, Special Assessment Revenue Bonds, Series 2011 (the "Bonds"), hereby acknowledges receipt of \$125,000 principal amount of the Bonds for my beneficial interest on the date set forth below, which Bonds 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 Wells Fargo Bank, N.A.

DATED: April 6, 2011

By Mark Lead_____

QUALIFIED INVESTOR LETTER

FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT

WELLS FARGO BANK, N.A., as Trustee

Re: Festival Ranch Community Facilities District
(Town of Buckeye, Arizona)
Assessment District No. 7
Special Assessment Revenue Bonds, Series 2011

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 \$404,000. 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.

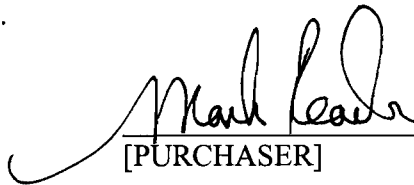
In regard to the foregoing, the undersigned hereby certifies, acknowledges, warrants and represents that:

- (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 Stone & Youngberg, L.L.C.; 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 Town of Buckeye, Arizona (the "Town"), 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 Town, 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: _____

QUALIFIED INVESTOR LETTER

FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT

WELLS FARGO BANK, N.A., as Trustee

Re: Festival Ranch Community Facilities District
(Town of Buckeye, Arizona)
Assessment District No. 7
Special Assessment Revenue Bonds, Series 2011

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 \$404,000. 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:

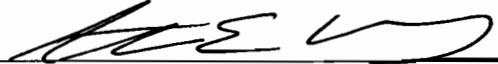
- (1) The Purchaser is one of the following:
 - (a) a "qualified institutional buyer," as such term is defined in Rule 144A, of the Securities Act;
 - (b) an "accredited investor" as defined in Rule 501 of Regulation D of the United States Securities and Exchange Commission;
 - (c) an officer of Stone & Youngberg, L.L.C.; 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 Town of Buckeye, Arizona (the "Town"), 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 Town, 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: Stephen B. Hearty
Title: Managing Director

QUALIFIED INVESTOR LETTER

FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT

WELLS FARGO BANK, N.A., as Trustee

Re: Festival Ranch Community Facilities District
(Town of Buckeye, Arizona)
Assessment District No. 7
Special Assessment Revenue Bonds, Series 2011

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 \$404,000. 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 Stone & Youngberg, L.L.C.; 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 Town of Buckeye, Arizona (the "Town"), 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 Town, 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, LLC.
General Partner of
Casillas Technologies LP

QUALIFIED INVESTOR LETTER

FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT

WELLS FARGO BANK, N.A., as Trustee

Re: Festival Ranch Community Facilities District
(Town of Buckeye, Arizona)
Assessment District No. 7
Special Assessment Revenue Bonds, Series 2011

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 \$404,000. 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 Stone & Youngberg, L.L.C.; 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 Town of Buckeye, Arizona (the "Town"), 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 Town, 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.

M Cafiso / C Somer Living Trust
[PURCHASER]

By: Michael Cafiso
Printed Name: MICHAEL CAFISO
Title: TRUSTEE

QUALIFIED INVESTOR LETTER

FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT

WELLS FARGO BANK, N.A., as Trustee

Re: Festival Ranch Community Facilities District
(Town of Buckeye, Arizona)
Assessment District No. 7
Special Assessment Revenue Bonds, Series 2011

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 \$404,000. 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:

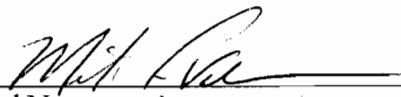
- (1) The Purchaser is one of the following:
 - (a) a "qualified institutional buyer," as such term is defined in Rule 144A, of the Securities Act;
 - (b) an "accredited investor" as defined in Rule 501 of Regulation D of the United States Securities and Exchange Commission;
 - (c) an officer of Stone & Youngberg, L.L.C.; 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 Town of Buckeye, Arizona (the "Town"), 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 Town, 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: Mike LaValle
Title: Managing Director

QUALIFIED INVESTOR LETTER

FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT

WELLS FARGO BANK, N.A., as Trustee

Re: Festival Ranch Community Facilities District
(Town of Buckeye, Arizona)
Assessment District No. 7
Special Assessment Revenue Bonds, Series 2011

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 \$404,000. 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 Stone & Youngberg, L.L.C.; 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.
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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 Town of Buckeye, Arizona (the "Town"), 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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Grant Hamill

[PURCHASER]

By:

Printed Name:

Title:

Grant Hamill

Grant Hamill

Managing Director

REGISTERED
No. R-1

REGISTERED
\$404,000.00

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC") TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO. HAS AN INTEREST HEREIN.

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
(TOWN OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 7
SPECIAL ASSESSMENT REVENUE BOND, SERIES 2011**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Issue Date</u>	<u>CUSIP No.</u>
8.50%	July 1, 2035	April 7, 2011	315599 CA6

REGISTERED OWNER: CEDE & Co.

PRINCIPAL AMOUNT: FOUR HUNDRED FOUR THOUSAND AND NO/100 DOLLARS
(\$404,000.00)

Festival Ranch Community Facilities District, a community facilities district formed by the Town 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 (as such term is deemed in the hereinafter described "Indenture"), semiannually on each January 1 and July 1, commencing July 1, 2011 (each an "Interest Payment Date"), at the per annum "Interest Rate" specified above.

As provided in the Indenture, the interest, principal and Redemption Price (as such term and all other terms used herein and not defined are defined in the Indenture) payable on the

Bonds shall be paid to CEDE & Co. or its registered assigns in same-day funds no later than the time established by DTC on the date due (or in accordance with then existing arrangements between the Issuer and DTC).

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 at the Place of Payment or 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 Indenture, unless otherwise defined herein.

Neither the full faith and credit nor the general taxing power of the Issuer, the Town 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 Trustee, by manual signature, this Bond shall not be entitled to any benefit under the hereinafter described Bond Resolution or the Indenture or be valid or obligatory for any purpose.

This Bond is one of a duly authorized issue of 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 an Indenture of Trust and Security Agreement, dated as of April 1, 2011 (herein, together with all indentures supplemental thereto, referred to as the "*Indenture*"), from the Issuer to Wells Fargo Bank, N.A., as trustee (herein referred to as the "*Trustee*," which term includes any successor trustee under the Indenture), to which Indenture reference is hereby made 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 Holders of the Bonds, the Trustee, 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 each Holder of this Bond hereby consents. All Bonds issued under the Indenture are equally and ratably secured by the amounts thereby pledged and assigned. Pursuant to Resolution No. 02-11, adopted on January 18, 2011 (herein referred to as the "*Bond Resolution*"), the Board of the Issuer authorized the issuance and sale of not to exceed \$404,000 aggregate principal amount of Bonds for the purpose of financing the costs of acquiring and constructing certain public infrastructure, including particularly the acquisition and/or construction by the Issuer of the improvements and public infrastructure purposes (the "*Improvements*") described in Resolution No. 06-10 which was adopted by the Board of the Issuer on December 7, 2010.

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 Trustee in the Debt Service Reserve Fund (the "*Debt Service Reserve Fund*") under the

Indenture. The Assessed Property represents approximately 178 residential lots within the District. Said special fund is set apart in accordance with the laws of the state and pursuant to the Indenture for the payment of the Bonds and can be used for no other purpose.

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. For the levy of the Assessment, reassessment, collection and payment of said Assessments, the full faith and diligence of the Issuer are hereby irrevocably pledged. 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.

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 if Maximum Annual Debt Service on the Bonds is reduced. 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 Stated 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 Indenture 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 Indenture.

The Bonds are issuable as fully registered bonds only in the denominations of \$1,000 and any \$1,000 multiple in excess thereof.

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 and Construction 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 on any date, 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 and the deposit of such prepayment amounts to the Prepayment Account of the Bond Fund; 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 Indenture.

The Bonds are subject to optional redemption on or after July 1, 2021, 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>	<u>Redemption Date (July 1)</u>	<u>Principal Amount</u>
2012	6,000	2024	15,000
2013	6,000	2025	16,000
2014	7,000	2026	18,000
2015	7,000	2027	19,000
2016	8,000	2028	21,000
2017	8,000	2029	23,000
2018	9,000	2030	24,000
2019	10,000	2031	26,000
2020	11,000	2032	29,000
2021	12,000	2033	31,000
2022	13,000	2034	34,000
2023	14,000	2035	37,000

Whenever Bonds of the applicable maturity are purchased, redeemed (other than pursuant to mandatory redemption) or delivered by the Issuer to the Trustee for cancellation, the principal amount of the Bonds so retired shall satisfy on a *pro rata* basis against the remaining mandatory redemption requirements for the Bonds of the applicable maturity.

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 each Holder of Bonds to be redeemed, at the address appearing in the Bond Register.

The Bonds shall initially be issued as a single fully-registered bond in each Stated Maturity and so long as the ownership of the Bonds is maintained in book-entry form by DTC or a

nominee thereof, this Bond may be transferred in whole but not in part only to DTC or a nominee thereof or to a successor to DTC or its nominee.

Neither the Issuer nor the Trustee will have any responsibility or obligation to any Direct Participant, Indirect Participant or any Beneficial Owner or any other person not shown on the registration books of the Trustee as being a Holder with respect to: (1) the Bonds; (2) the accuracy of any records maintained by DTC or any Direct Participant or Indirect Participant; (3) the timely or ultimate payment by DTC or any Direct Participant or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal or redemption price of or interest on the Bonds; (4) the delivery by any Direct Participant or Indirect Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Bond Resolution or the Indenture to be given to the Holders; (5) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (6) any consent given or other action taken by DTC as the Holder.

The Bond Resolution and the Indenture permit, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Holders of the Bonds under the Bond Resolution and the Indenture at any time by the Issuer with the consent of the Holders of a majority in principal amount of the Bonds at the time Outstanding affected by such modification. The Bond Resolution and Indenture also contain provisions permitting the Holders of specified percentages in aggregate principal amount of the Bonds at the time Outstanding, on behalf of the Holders of all the Bonds, to waive compliance by the Issuer with certain past defaults under the Bond Resolution or the Indenture and their consequences. Any such consent or waiver by the Holder of this Bond or any Predecessor Bond evidencing the same debt shall be conclusive and binding upon such Holder and upon all future Holders thereof and of any Bond issued upon the transfer thereof or in exchange therefor or in lieu thereof, whether or not notation of such consent or waiver is made upon this Bond.

As provided in the Indenture 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 Place of Payment 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 Trustee a completed certificate of qualified investor in the form included in this Bond.

As provided in the Indenture 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 Place of Payment.

The Paying Agent may require payment of a sum sufficient to cover any tax or other charges payable in connection therewith.

The Issuer, the Trustee, 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 Trustee, and any such agent shall be affected by notice to the contrary.

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

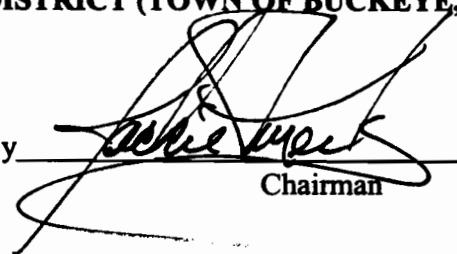
Unless the Certificate of Authentication hereon has been executed by the Trustee, by manual signature, this Bond shall not be entitled to any benefit under the hereinafter described Bond Resolution or the Indenture or be valid or obligatory for any purpose.

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.

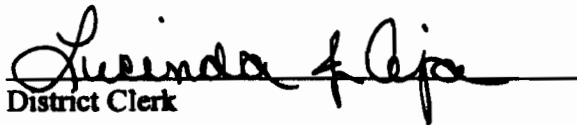
IN WITNESS WHEREOF, the Issuer has caused this Bond to be duly executed.

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

By _____


Chairman

ATTEST:


District Clerk

Dated: April 7, 2011

CERTIFICATE OF AUTHENTICATION

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

WELLS FARGO BANK, N.A., as Trustee

By Nancy L. Eaton
Authorized Representative

DATE: April 7th 2011

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 Trustee

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

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 Kuss 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.



10 Pages Total via Email

REVISED FINAL CLOSING MEMORANDUM

		<u>Phone</u>	<u>Email Address</u>
TO:	Stephen Cleveland – Town of Buckeye	(623) 349-6000	scleveland@buckeyeaz.gov
	Larry Price – Town of Buckeye	(623) 349-6164	lprice@buckeyeaz.gov
	Kim Sandstrom – Town of Buckeye	(623) 349-6163	ksandstrom@buckeyeaz.gov
	Miguel Zaragoza – Town of Buckeye	(623) 349-6159	mzagoza@buckeyeaz.gov
	Lucinda Aja – Town of Buckeye	(623) 386-4691 ext. 230	laja@buckeyeaz.gov
	Scott Ruby, Esq. – Gust Rosenfeld P.L.C.	(602) 257-7432	sruby@gustlaw.com
	James Giel, Esq. – Gust Rosenfeld P.L.C.	(602) 257-7495	jgiel@gustlaw.com
	Joan Hubbert – Gust Rosenfeld P.L.C.	(602) 257-7435	jhubbert@gustlaw.com
	Larry Given – Wedbush Morgan Securities	(602) 952-6851	larry.given@wedbush.com
	Nancy Eatros – Wells Fargo Bank, N.A.	(602) 378-2337	nancy.l.eatros@wellsfargo.com
	Michael Brilz – PulteGroup	(480) 391-6198	mike.brilz@pultegroup.com
	Patrick Brown – PulteGroup	(480) 862-7856	patrick.brown@pultegroup.com
	Jay Van Quathem – PulteGroup	(480) 391-6074	jay.vanquathem@pultegroup.com
	Matt Berens, Esq. – Berens Kozub Lord & Kloberdanz	(480) 624-2777	mberens@bkl-az.com
FROM:	Mark Reader – Stone & Youngberg LLC	(602) 794-4011	mreader@syllc.com
	Mike LaVallee – Stone & Youngberg LLC	(602) 794-4008	mlavallee@syllc.com
	Erika Miller – Stone & Youngberg LLC	(602) 794-4030	emiller@syllc.com
	Karyl Guthery – Stone & Youngberg LLC	(602) 794-4051	kguthery@syllc.com
CC:	Carla Campodonico – Stone & Youngberg LLC	(415) 445-2306	ccampi@syllc.com
	Katherine Hamburger – Stone & Youngberg LLC	(415) 445-2361	khamburger@syllc.com
	Gerald Chang – Stone & Youngberg LLC	(415) 445-2305	gchang@syllc.com
DATE:	April 1, 2011		
RE:	\$404,000 Festival Ranch Community Facilities District (Town of Buckeye, Arizona) Assessment District No. 7 (Parcel VI and MI) Special Assessment Revenue Bonds, Series 2011		

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, April 7, 2011 at 8:00 a.m. (MST) in the offices of Gust Rosenfeld P.L.C., One E Washington Street, Suite 1600, Phoenix, AZ 85004 Attention: Jim Giel, Esq. (602) 257-7495.

The following data is included within Attachment A:

Attachment A – Bonds Data	
• Sources & Uses of Funds	• Bond Pricing
• Bond Debt Service (Semi-Annual)	• Bond Summary Statistics

Festival Ranch Community Facilities District (Town of Buckeye, Arizona)
 Assessment District No. 7 (Parcel VI and MI)
 Special Assessment Revenue Bonds, Series 2011
 April 1, 2011

I. Payment to Wells Fargo Bank, N.A. (the “Trustee”) from PulteGroup (the “Developer”)

On **Wednesday, April 6, 2011, not later than 5:00 p.m. (MST)**, PulteGroup will wire **\$42,000.00** to the Trustee for the for the amount of the Costs of Issuance. Wire instructions for the delivery are as follows:

Wells Fargo Bank, N.A.	
ABA No.: 121000248	
Trust Clearing A/C No.: 00010-38-377	
For Credit To: Festival Ranch Community Facilities District, Assessment Area No. 7 (Parcel VI and MI) Special Assessment Revenue Bonds, Series 2011	
Account No.: 85460500	
Attn: Nancy Eatros (602) 378-2337	

II. Payment to Wells Fargo Bank, N.A. (the “Trustee”) from Stone & Youngberg LLC (the “Placement Agent”)

On **Thursday, April 7, 2011, not later than 8:00 a.m. (MST)**, Stone & Youngberg LLC will wire **\$391,880.00** to the Trustee as the Net Purchase Price for the Bonds. The Net Purchase Price is determined as follows:

Net Purchase Price of the Bonds	
Par Amount	\$404,000.00
Less: Placement Agent Compensation	(12,120.00)
NET PURCHASE PRICE	\$391,880.00

Wire instructions for the delivery are as follows:

Wells Fargo Bank, N.A.	
ABA No.: 121000248	
Trust Clearing A/C No.: 00010-38-377	
For Credit To: Festival Ranch Community Facilities District, Assessment Area No. 7 (Parcel VI and MI) Special Assessment Revenue Bonds, Series 2011	
Account No.: 85460500	
Attn: Nancy Eatros (602) 378-2337	

III. Bond Proceeds Disposition

Upon receipt of the amount of Costs of Issuance from the Developer and its portion of the Net Purchase Price from the Placement Agent, the Trustee will make the following deposits for the benefit of the District:

Deposit to the Construction/Acquisition Fund	\$351,540.00
Deposit to the Debt Service Reserve Fund	40,340.00
Deposit to the Costs of Issuance Fund	42,000.00
TOTAL	\$433,880.00

Festival Ranch Community Facilities District (Town of Buckeye, Arizona)
 Assessment District No. 7 (Parcel VI and MI)
 Special Assessment Revenue Bonds, Series 2011
 April 1, 2011

IV. Debt Service and CUSIP Numbers

FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE, ARIZONA) ASSESSMENT DISTRICT NO. 7 (Parcel VI and MI) SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2011 \$404,000 Dated Date: 04/07/2011 Delivery Date: 04/07/2011 DEBT SERVICE SCHEDULE ⁽¹⁾						
CUSIP No.	Date	Principal	Coupon	Interest	Total Debt Service	Fiscal Year Debt Service
	7/1/2011			\$ 8,012.67	\$ 8,012.67	\$ 8,012.67
	1/1/2012			17,170.00	17,170.00	
CA6	7/1/2012	\$ 6,000	8.500%	17,170.00	23,170.00	40,340.00
	1/1/2013			16,915.00	16,915.00	
CA6	7/1/2013	6,000	8.500%	16,915.00	22,915.00	39,830.00
	1/1/2014			16,660.00	16,660.00	
CA6	7/1/2014	7,000	8.500%	16,660.00	23,660.00	40,320.00
	1/1/2015			16,362.50	16,362.50	
CA6	7/1/2015	7,000	8.500%	16,362.50	23,362.50	39,725.00
	1/1/2016			16,065.00	16,065.00	
CA6	7/1/2016	8,000	8.500%	16,065.00	24,065.00	40,130.00
	1/1/2017			15,725.00	15,725.00	
CA6	7/1/2017	8,000	8.500%	15,725.00	23,725.00	39,450.00
	1/1/2018			15,385.00	15,385.00	
CA6	7/1/2018	9,000	8.500%	15,385.00	24,385.00	39,770.00
	1/1/2019			15,002.50	15,002.50	
CA6	7/1/2019	10,000	8.500%	15,002.50	25,002.50	40,005.00
	1/1/2020			14,577.50	14,577.50	
CA6	7/1/2020	11,000	8.500%	14,577.50	25,577.50	40,155.00
	1/1/2021			14,110.00	14,110.00	
CA6	7/1/2021	12,000	8.500%	14,110.00	26,110.00	40,220.00
	1/1/2022			13,600.00	13,600.00	
CA6	7/1/2022	13,000	8.500%	13,600.00	26,600.00	40,200.00
	1/1/2023			13,047.50	13,047.50	
CA6	7/1/2023	14,000	8.500%	13,047.50	27,047.50	40,095.00
	1/1/2024			12,452.50	12,452.50	
CA6	7/1/2024	15,000	8.500%	12,452.50	27,452.50	39,905.00
	1/1/2025			11,815.00	11,815.00	
CA6	7/1/2025	16,000	8.500%	11,815.00	27,815.00	39,630.00
	1/1/2026			11,135.00	11,135.00	
CA6	7/1/2026	18,000	8.500%	11,135.00	29,135.00	40,270.00

Festival Ranch Community Facilities District (Town of Buckeye, Arizona)
 Assessment District No. 7 (Parcel Vi and Mi)
 Special Assessment Revenue Bonds, Series 2011
 April 1, 2011

IV. Debt Service and CUSIP Numbers – Continued

FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE, ARIZONA) ASSESSMENT DISTRICT NO. 7 (Parcel VI and MI) SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2011 \$404,000 Dated Date: 04/07/2011 Delivery Date: 04/07/2011 DEBT SERVICE SCHEDULE ⁽¹⁾						
CUSIP No.	Date	Principal	Coupon	Interest	Total Debt Service	Fiscal Year Debt Service
	1/1/2027			\$ 10,370.00	\$ 10,370.00	
CA6	7/1/2027	\$ 19,000	8.500%	10,370.00	29,370.00	\$ 39,740.00
	1/1/2028			9,562.50	9,562.50	
CA6	7/1/2028	21,000	8.500%	9,562.50	30,562.50	40,125.00
	1/1/2029			8,670.00	8,670.00	
CA6	7/1/2029	23,000	8.500%	8,670.00	31,670.00	40,340.00
	1/1/2030			7,692.50	7,692.50	
CA6	7/1/2030	24,000	8.500%	7,692.50	31,692.50	39,385.00
	1/1/2031			6,672.50	6,672.50	
CA6	7/1/2031	26,000	8.500%	6,672.50	32,672.50	39,345.00
	1/1/2032			5,567.50	5,567.50	
CA6	7/1/2032	29,000	8.500%	5,567.50	34,567.50	40,135.00
	1/1/2033			4,335.00	4,335.00	
CA6	7/1/2033	31,000	8.500%	4,335.00	35,335.00	39,670.00
	1/1/2034			3,017.50	3,017.50	
CA6	7/1/2034	34,000	8.500%	3,017.50	37,017.50	40,035.00
	1/1/2035			1,572.50	1,572.50	
CA6	7/1/2035	37,000	8.500%	1,572.50	38,572.50	40,145.00
TOTAL		\$ 404,000		\$ 562,977.67	\$ 966,977.67	\$ 966,977.67

⁽¹⁾ Represents mandatory redemption requirement for term bond due July 1, 2035.

ATTACHMENT A

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Sources & Uses of Funds	1
Bond Debt Service (Semi-Annual)	2
Bond Pricing	4
Bond Summary Statistics	5

SOURCES AND USES OF FUNDS

Festival Ranch Community Facilities District (Town of Buckeye, Arizona)
 Special Assessment District No. 7, Series 2011
 [8.50% Interest Rate, 25-Year Term Bond Due July 1, 2035]

Dated Date 04/07/2011
 Delivery Date 04/07/2011

Sources:

Bond Proceeds:	
Par Amount	404,000.00
Other Sources of Funds:	
PulteGroup Contribution to pay Costs of Issuance	42,000.00
	446,000.00

Uses:

Project Fund Deposits:	
Acquisition and Construction Fund	351,540.00
Pulte Funds Wired to Trustee for Payment of COI	42,000.00
	393,540.00
Other Fund Deposits:	
Debt Service Reserve Fund	40,340.00
Delivery Date Expenses:	
Underwriter's Discount	12,120.00
	446,000.00

BOND DEBT SERVICE

Festival Ranch Community Facilities District (Town of Buckeye, Arizona)
 Special Assessment District No. 7, Series 2011
 [8.50% Interest Rate, 25-Year Term Bond Due July 1, 2035]

Dated Date 04/07/2011
 Delivery Date 04/07/2011

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
07/01/2011			8,012.67	8,012.67	8,012.67
01/01/2012			17,170.00	17,170.00	
07/01/2012	6,000	8.500%	17,170.00	23,170.00	40,340.00
01/01/2013			16,915.00	16,915.00	
07/01/2013	6,000	8.500%	16,915.00	22,915.00	39,830.00
01/01/2014			16,660.00	16,660.00	
07/01/2014	7,000	8.500%	16,660.00	23,660.00	40,320.00
01/01/2015			16,362.50	16,362.50	
07/01/2015	7,000	8.500%	16,362.50	23,362.50	39,725.00
01/01/2016			16,065.00	16,065.00	
07/01/2016	8,000	8.500%	16,065.00	24,065.00	40,130.00
01/01/2017			15,725.00	15,725.00	
07/01/2017	8,000	8.500%	15,725.00	23,725.00	39,450.00
01/01/2018			15,385.00	15,385.00	
07/01/2018	9,000	8.500%	15,385.00	24,385.00	39,770.00
01/01/2019			15,002.50	15,002.50	
07/01/2019	10,000	8.500%	15,002.50	25,002.50	40,005.00
01/01/2020			14,577.50	14,577.50	
07/01/2020	11,000	8.500%	14,577.50	25,577.50	40,155.00
01/01/2021			14,110.00	14,110.00	
07/01/2021	12,000	8.500%	14,110.00	26,110.00	40,220.00
01/01/2022			13,600.00	13,600.00	
07/01/2022	13,000	8.500%	13,600.00	26,600.00	40,200.00
01/01/2023			13,047.50	13,047.50	
07/01/2023	14,000	8.500%	13,047.50	27,047.50	40,095.00
01/01/2024			12,452.50	12,452.50	
07/01/2024	15,000	8.500%	12,452.50	27,452.50	39,905.00
01/01/2025			11,815.00	11,815.00	
07/01/2025	16,000	8.500%	11,815.00	27,815.00	39,630.00
01/01/2026			11,135.00	11,135.00	
07/01/2026	18,000	8.500%	11,135.00	29,135.00	40,270.00
01/01/2027			10,370.00	10,370.00	
07/01/2027	19,000	8.500%	10,370.00	29,370.00	39,740.00
01/01/2028			9,562.50	9,562.50	
07/01/2028	21,000	8.500%	9,562.50	30,562.50	40,125.00
01/01/2029			8,670.00	8,670.00	
07/01/2029	23,000	8.500%	8,670.00	31,670.00	40,340.00
01/01/2030			7,692.50	7,692.50	
07/01/2030	24,000	8.500%	7,692.50	31,692.50	39,385.00
01/01/2031			6,672.50	6,672.50	
07/01/2031	26,000	8.500%	6,672.50	32,672.50	39,345.00
01/01/2032			5,567.50	5,567.50	
07/01/2032	29,000	8.500%	5,567.50	34,567.50	40,135.00
01/01/2033			4,335.00	4,335.00	
07/01/2033	31,000	8.500%	4,335.00	35,335.00	39,670.00

BOND DEBT SERVICE

Festival Ranch Community Facilities District (Town of Buckeye, Arizona)
Special Assessment District No. 7, Series 2011
[8.50% Interest Rate, 25-Year Term Bond Due July 1, 2035]

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
01/01/2034			3,017.50	3,017.50	
07/01/2034	34,000	8.500%	3,017.50	37,017.50	40,035.00
01/01/2035			1,572.50	1,572.50	
07/01/2035	37,000	8.500%	1,572.50	38,572.50	40,145.00
	404,000		562,977.67	966,977.67	966,977.67

BOND PRICING

Festival Ranch Community Facilities District (Town of Buckeye, Arizona)
 Special Assessment District No. 7, Series 2011
 [8.50% Interest Rate, 25-Year Term Bond Due July 1, 2035]

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Term Bond_2035:	07/01/2035	404,000	8.500%	8.500%	100.000
		404,000			

Dated Date	04/07/2011		
Delivery Date	04/07/2011		
First Coupon	07/01/2011		
Par Amount	404,000.00		
Original Issue Discount			
Production	404,000.00	100.000000%	
Underwriter's Discount	-12,120.00	-3.000000%	
Purchase Price	391,880.00	97.000000%	
Accrued Interest			
Net Proceeds	391,880.00		

BOND SUMMARY STATISTICS

Festival Ranch Community Facilities District (Town of Buckeye, Arizona)
 Special Assessment District No. 7, Series 2011
 [8.50% Interest Rate, 25-Year Term Bond Due July 1, 2035]

Dated Date	04/07/2011
Delivery Date	04/07/2011
Last Maturity	07/01/2035
Arbitrage Yield	
True Interest Cost (TIC)	8.874836%
Net Interest Cost (NIC)	8.682991%
All-In TIC	8.874836%
Average Coupon	8.500000%
Average Life (years)	16.394
Duration of Issue (years)	8.467
Par Amount	404,000.00
Bond Proceeds	404,000.00
Total Interest	562,977.67
Net Interest	575,097.67
Total Debt Service	966,977.67
Maximum Annual Debt Service	40,340.00
Average Annual Debt Service	39,902.79
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	30.000000
Total Underwriter's Discount	30.000000
Bid Price	97.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Term Bond_2035	404,000.00	100.000	8.500%	16.394
	404,000.00			16.394

	TIC	All-In TIC	Arbitrage Yield
Par Value	404,000.00	404,000.00	404,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-12,120.00	-12,120.00	
- Cost of Issuance Expense			
- Other Amounts			
Target Value	391,880.00	391,880.00	404,000.00
Target Date	04/07/2011	04/07/2011	04/07/2011
Yield	8.874836%	8.874836%	

Report of Bond and Security Issuance

Pursuant to A.R.S. § 35-501B

This information is due to the Department of Revenue within 60 days of the issue.

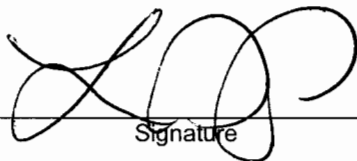
1. Jurisdiction: FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE, ARIZONA)	
2. Issue Name/title: Assessment District No.7, Special Assessment Revenue Bonds, Series 2011	
3. Dated date: April <u>7</u> , 2011 Closing Date: April <u>7</u> , 2011	4. Par Amount: \$404,000
5. Overall Interest Rate (TIC or NIC): 8.50% (NIC)	6. Type of Bond or Security: community facilities district special assessment
7. Repayment sources: property owner assessments	
8. Total amount outstanding: \$404,000	9. Total amount outstanding of senior or subordinate bonds: \$-0-
10. Original issue price: Attach Schedule 1	11. Total limitations (Constitutional or Statutory) on the type of bonds/securities issued: For general obligation bonds:
a. Par Amount (principal amount) \$404,000.00	a. Secondary net assessed value: N/A
b. Original Issue Discount (-) \$0.00	b. Debt limit percentage: N/A
c. Premium Amount (+) \$0.00	c. Total debt limit: N/A
d. Original Issue Price (=) \$404,000.00	12. Available debt limit: N/A
e. Underwriter Compensation (discount) (-) \$12,120.00	13. Total amount authorized: N/A
f. Net Proceeds (=) \$391,880.00	
14. Remaining authorized amount: N/A	15. If voter authorized, election dates: N/A

16. Attach a detailed listing of Issue Costs.

17. Attach the Debt Service Schedule.

18. Attach Form 8038.

19. Attach Final Official Statement.



 Signature

April 7, 2011

 Date

Title, address and phone number

Larry Price, District Treasurer
 Festival Ranch Community Facilities District
 530 E. Monroe Avenue
 Buckeye, Arizona 85326
 623-349-6164

Trustee name, address and phone number

Wells Fargo Bank, N.A.
 MAC4101-22E
 100 W. Washington St.
 22nd Floor
 Phoenix, Arizona 85003
 602-378-2337

Political Subdivision Contact Name, address and phone number

Larry Price, District Treasurer
 Festival Ranch Community Facilities District
 530 E. Monroe Avenue
 Buckeye, Arizona 85326
 623-349-6164

Submit this form with attachments within 60 days of issuance to:

Arizona Department of Revenue
 Attention: OERA, 9th floor
 1600 W. Monroe
 Phoenix, AZ 85007

**Arizona Department of Revenue
Report of Bond and Security Issuance
Schedule 1**

For each maturity date, list either the Original Issue Discount or the Premium Amount. The total of these figures should equal the amounts listed on 10b and 10c on the form. In all cases, 10a-10b+10c-10e=10f.

Name of Issue **FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE, ARIZONA) ASSESSMENT DISTRICT NO. 7, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2011**

Par Amount: \$404,000

Date Closed: April 7, 2011

Mandatory Redemption Date (July 15)	Par Amount (Principal Amount) 10a	Coupon Rate	Yield	Original Issue Price	Premium or Discount 10b or 10c
2012*	6,000	8.50	8.50	6,000	\$-0-
2013*	6,000	8.50	8.50	6,000	\$-0-
2014*	7,000	8.50	8.50	7,000	\$-0-
2015*	7,000	8.50	8.50	7,000	\$-0-
2016*	8,000	8.50	8.50	8,000	\$-0-
2017*	8,000	8.50	8.50	8,000	\$-0-
2018*	9,000	8.50	8.50	9,000	\$-0-
2019*	10,000	8.50	8.50	10,000	\$-0-
2020*	11,000	8.50	8.50	11,000	\$-0-
2021*	12,000	8.50	8.50	12,000	\$-0-
2022*	13,000	8.50	8.50	13,000	\$-0-
2023*	14,000	8.50	8.50	14,000	\$-0-
2024*	15,000	8.50	8.50	15,000	\$-0-
2025*	16,000	8.50	8.50	16,000	\$-0-
2026*	18,000	8.50	8.50	18,000	\$-0-
2027*	19,000	8.50	8.50	19,000	\$-0-
2028*	21,000	8.50	8.50	21,000	\$-0-
2029*	23,000	8.50	8.50	23,000	\$-0-
2030*	24,000	8.50	8.50	24,000	\$-0-
2031*	26,000	8.50	8.50	26,000	\$-0-
2032*	29,000	8.50	8.50	29,000	\$-0-
2033*	31,000	8.50	8.50	31,000	\$-0-
2034*	34,000	8.50	8.50	34,000	\$-0-
2035	37,000	8.50	8.50	37,000	\$-0-
TOTAL	\$404,000			\$404,000	
10e Underwriter discount and/or Placement Agent Fee, if any					
10f Net Proceeds (as shown on issuance form)					

* Redemption Dates for Term Bond Maturing on July 1, 2035

Name of Issue: **FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE, ARIZONA) ASSESSMENT DISTRICT NO. 7, SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2011**

Costs of Issuance

Placement Agent fees	12,120
Bond counsel fee	26,000
Trustee fees	4,000
Financial Advisor fee	10,000
DTC/CUSIPs	800
Miscellaneous	<u>1,200</u>
TOTAL	<u>\$42,000</u>

No Official statement was prepared in connection with this financing.

Festival Ranch Community Facilities District (Town of Buckeye, Arizona)
 Assessment District No. 7 (Parcel VI and MI)
 Special Assessment Revenue Bonds, Series 2011
 April 1, 2011

IV. Debt Service and CUSIP Numbers

FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE, ARIZONA) ASSESSMENT DISTRICT NO. 7 (Parcel VI and MI) SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2011						
\$404,000						
Dated Date: 04/07/2011						
Delivery Date: 04/07/2011						
DEBT SERVICE SCHEDULE ⁽¹⁾						
CUSIP No.	Date	Principal	Coupon	Interest	Total Debt Service	Fiscal Year Debt Service
	7/1/2011			\$ 8,012.67	\$ 8,012.67	\$ 8,012.67
	1/1/2012			17,170.00	17,170.00	
CA6	7/1/2012	\$ 6,000	8.500%	17,170.00	23,170.00	40,340.00
	1/1/2013			16,915.00	16,915.00	
CA6	7/1/2013	6,000	8.500%	16,915.00	22,915.00	39,830.00
	1/1/2014			16,660.00	16,660.00	
CA6	7/1/2014	7,000	8.500%	16,660.00	23,660.00	40,320.00
	1/1/2015			16,362.50	16,362.50	
CA6	7/1/2015	7,000	8.500%	16,362.50	23,362.50	39,725.00
	1/1/2016			16,065.00	16,065.00	
CA6	7/1/2016	8,000	8.500%	16,065.00	24,065.00	40,130.00
	1/1/2017			15,725.00	15,725.00	
CA6	7/1/2017	8,000	8.500%	15,725.00	23,725.00	39,450.00
	1/1/2018			15,385.00	15,385.00	
CA6	7/1/2018	9,000	8.500%	15,385.00	24,385.00	39,770.00
	1/1/2019			15,002.50	15,002.50	
CA6	7/1/2019	10,000	8.500%	15,002.50	25,002.50	40,005.00
	1/1/2020			14,577.50	14,577.50	
CA6	7/1/2020	11,000	8.500%	14,577.50	25,577.50	40,155.00
	1/1/2021			14,110.00	14,110.00	
CA6	7/1/2021	12,000	8.500%	14,110.00	26,110.00	40,220.00
	1/1/2022			13,600.00	13,600.00	
CA6	7/1/2022	13,000	8.500%	13,600.00	26,600.00	40,200.00
	1/1/2023			13,047.50	13,047.50	
CA6	7/1/2023	14,000	8.500%	13,047.50	27,047.50	40,095.00
	1/1/2024			12,452.50	12,452.50	
CA6	7/1/2024	15,000	8.500%	12,452.50	27,452.50	39,905.00
	1/1/2025			11,815.00	11,815.00	
CA6	7/1/2025	16,000	8.500%	11,815.00	27,815.00	39,630.00
	1/1/2026			11,135.00	11,135.00	
CA6	7/1/2026	18,000	8.500%	11,135.00	29,135.00	40,270.00

Festival Ranch Community Facilities District (Town of Buckeye, Arizona)
 Assessment District No. 7 (Parcel Vi and Mi)
 Special Assessment Revenue Bonds, Series 2011
 April 1, 2011

IV. Debt Service and CUSIP Numbers – Continued

FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE, ARIZONA) ASSESSMENT DISTRICT NO. 7 (Parcel VI and MI) SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2011 \$404,000 Dated Date: 04/07/2011 Delivery Date: 04/07/2011 DEBT SERVICE SCHEDULE ⁽¹⁾						
CUSIP No.	Date	Principal	Coupon	Interest	Total Debt Service	Fiscal Year Debt Service
	1/1/2027			\$ 10,370.00	\$ 10,370.00	
CA6	7/1/2027	\$ 19,000	8.500%	10,370.00	29,370.00	\$ 39,740.00
	1/1/2028			9,562.50	9,562.50	
CA6	7/1/2028	21,000	8.500%	9,562.50	30,562.50	40,125.00
	1/1/2029			8,670.00	8,670.00	
CA6	7/1/2029	23,000	8.500%	8,670.00	31,670.00	40,340.00
	1/1/2030			7,692.50	7,692.50	
CA6	7/1/2030	24,000	8.500%	7,692.50	31,692.50	39,385.00
	1/1/2031			6,672.50	6,672.50	
CA6	7/1/2031	26,000	8.500%	6,672.50	32,672.50	39,345.00
	1/1/2032			5,567.50	5,567.50	
CA6	7/1/2032	29,000	8.500%	5,567.50	34,567.50	40,135.00
	1/1/2033			4,335.00	4,335.00	
CA6	7/1/2033	31,000	8.500%	4,335.00	35,335.00	39,670.00
	1/1/2034			3,017.50	3,017.50	
CA6	7/1/2034	34,000	8.500%	3,017.50	37,017.50	40,035.00
	1/1/2035			1,572.50	1,572.50	
CA6	7/1/2035	37,000	8.500%	1,572.50	38,572.50	40,145.00
TOTAL		\$ 404,000		\$ 562,977.67	\$ 966,977.67	\$ 966,977.67


⁽¹⁾ Represents mandatory redemption requirement for term bond due July 1, 2035.

\$404,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO.7

SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2011

CERTIFICATE OF MAILING

I hereby certify and declare that I deposited in the United States mail, postage prepaid, certified mail, return receipt requested, the Report of Bond and Security Issuance for the above-captioned financing, addressed to the Arizona Department of Revenue, OERA, 1600 West Monroe, 9th Floor, Phoenix, Arizona 85007, on April 12, 2011.



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

1 Issuer's name Festival Ranch Community Facilities District (Town of Buckeye, Arizona)	2 Issuer's employer identification number (EIN) 35 : 2264191
3 Number and street (or P.O. box if mail is not delivered to street address) Room/suite 530 E. Monroe Avenue	4 Report number (For IRS Use Only) 3
5 City, town, or post office, state, and ZIP code Buckeye, Arizona 85326	6 Date of issue April 7, 2011
7 Name of issue Assessment District No. 7 Special Assessment Revenue Bonds, Series 2011	8 CUSIP number 315599 CA6
9 Name and title of officer of the issuer or other person whom the IRS may call for more information Larry Price, Treasurer	10 Telephone number of officer or other person (623) 349-6164

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

11 Education	11	
12 Health and hospital	12	
13 Transportation	13	
14 Public safety	14	
15 Environment (including sewage bonds)	15	
16 Housing	16	
17 Utilities	17	
18 Other. Describe ► Public Infrastructure: Roads, Utilites, Drainage	18	404,000
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	July 1, 2035	\$ 404,000	\$ 404,000	16.4164 years	8.5026 %

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

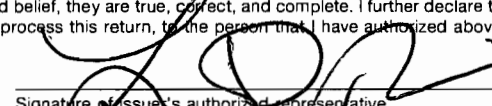
22 Proceeds used for accrued interest	22	0
23 Issue price of entire issue (enter amount from line 21, column (b))	23	404,000
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	12,120
25 Proceeds used for credit enhancement	25	
26 Proceeds allocated to reasonably required reserve or replacement fund	26	40,340
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	52,460
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	351,540

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	►	
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	►	
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 | Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) . . . | 35 | |
| 36a | Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions) | 36a | |
| b | Enter the final maturity date of the GIC ▶ _____ | | |
| 37 | Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units | 37a | |
| b | If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer ▶ _____ and the date of the issue ▶ _____ | | |
| 38 | If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ <input checked="" type="checkbox"/> | | |
| 39 | If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ <input type="checkbox"/> | | |
| 40 | If the issuer has identified a hedge, check box ▶ <input type="checkbox"/> | | |

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	Date	Larry Price, Treasurer Type or print name and title
Paid Preparer's Use Only	Preparer's signature	Date 4-11-11	Check if self-employed <input type="checkbox"/>
	Firm's name (or yours if self-employed), address, and ZIP code	Gust Rosenfeld P.L.C., One E. Washington St., #1600, Phoenix, AZ 85004-2553	Preparer's SSN or PTIN P01085621 EIN 86 : 0688020 Phone no. (602) 257-7422

\$404,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO.7
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2011

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 12, 2011.

Dois Harris

*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 ■

SCOTT W. RUBY
602.257.7432
FAX: 602.340.1538
swruby@gustlaw.com

April 7, 2011

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

Re: Festival Ranch Community Facilities District (Town of Buckeye,
Arizona) Assessment District No. 7, Special Assessment Revenue
Bonds, Series 2011

Honorable Board:

At your request we have examined the official proceedings leading to the issuance of \$404,000 aggregate principal amount of Assessment District No. 7, Special Assessment Revenue Bonds, Series 2011 (the "*Bonds*"), dated the date hereof, issued by Festival Ranch Community Facilities District (Town of Buckeye, Arizona) (the "*District*") initiated under Resolution of Intention No. 05-10.

We have examined the law and such documents and matters as we have deemed necessary to render this opinion including, without limitation, Resolution No. 02-11, passed and adopted by the District Board on January 18, 2011 (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, and the Indenture (as such term is defined in the Resolution) 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.

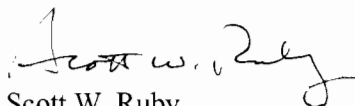
4. The Bonds are payable at the office of the Trustee, Wells Fargo Bank, N.A.. The Bonds are payable solely from the funds pledged pursuant to the Indenture and from payments of the unpaid assessments upon the real property within the boundaries of the District assessed for the improvement which have 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 and is not taken into account for federal income tax purposes as an adjustment to alternative minimum taxable income. 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 the Indenture 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 
Scott W. Ruby
Bond Counsel

BERENS, KOZUB, KLOBERDANZ & BLONSTEIN, PLC
Attorneys at Law

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

Matthew R. Berens, Esq.

April 7, 2011

Via Hand Delivery

Stone & Youngberg LLC
2555 E. Camelback Road, Suite 280
Phoenix, AZ 85016

Via Hand Delivery

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

Re: \$404,000 Festival Ranch Community Facilities District (Town of Buckeye, Arizona)
Assessment District No. 7 Special Assessment Revenue Bonds, Series 2011 (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 in the Indenture of Trust and Security Agreement dated as of March 1, 2011 from Festival Ranch Community Facilities District (Town of Buckeye, Arizona) (the "*District*") to Wells Fargo Bank, N.A.

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. Waiver Agreement (the "Waiver Agreement").
 - b. Owner Indemnity Letter of even date.

c. Closing Certificate of Owner, executed on April 7, 2011 (the "Closing Certificate").

The Waiver Agreement 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. Bylaws of the Owner, as amended.

c. Certificate of Good Standing of the Owner, dated March 9, 2011, issued by the Corporation Division of the Michigan Department of Labor and Economic Growth.

d. Certificate of Good Standing of the Owner, dated March 8, 2011, 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 describes and contains 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

Stone & Youngberg LLC
Festival Ranch Community Facilities District
April 7, 2011
Page 7 of 7

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 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
\$404,000 PRINCIPAL AMOUNT**

OF

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

**SPECIAL ASSESSMENT DISTRICT NO. 7 (Parcels VI & MI)
SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2011**

December 7, 2010

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for Completion of Public Infrastructure TWO

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APPENDIX

Legal Description of the Festival Ranch Community Facilities District
Assessment District No. 7 A

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 (Buckeye, Arizona) (the "District") in connection with the proposed issuance by the District of its Assessment District No. 7, Special Assessment Revenue Bonds, Series 2011 (the "Bonds") in an aggregate principal amount not to exceed \$404,000 pursuant to the Community Facilities Act of 1989, 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. 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. 48-715. Pursuant to A.R.S. 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 PulteGroup, , placement agent, bond counsel, engineers, staff of the Town of Buckeye, Arizona (the "Town") and other persons and experts have been consulted as deemed appropriate.

GENERAL DESCRIPTION OF DISTRICT

Formation of the District was approved by the Town 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, 2010, PulteGroup has closed 1,326 residential homes at Sun City Festival (age restricted) and 374 homes at Festival Foothills (non-age restricted), for a total of 1,700 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, a softball complex and a community park.

The real property comprising the Assessment District No. 7 consists of 202 residential lots on approximately 79.34 acres.

The total District acreage and Assessment District No. 7 acreage can be categorized as follows:

Total Project	Approximate District Acres	Approximate Assessment District No. 7 Acres
Single Family Residential Units	3,190	79.34
2 Golf Courses	600	
Commercial	150	
Recreation Centers	75	
Total	4,015	79.34

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. Legal descriptions of the District and Assessment District No. 7 are included in Appendix A. Maps of the District and Assessment District No. 7 are included in Section Three. The acquisition of the Public Infrastructure as defined in this Report is consistent with the Town of Buckeye's approved General Plan for the Project.

PulteGroup currently owns all of the property located within Assessment District No. 7.

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, to be financed by the Bonds of the District, with the balance to be funded by PulteGroup consists of the following. It is expected that the Public Infrastructure listed below will be acquired from PulteGroup with estimated cost and construction timing as noted.

SUN CITY FESTIVAL ASSESSMENT DISTRICT NO. 7 DESCRIPTION OF PUBLIC INFRASTRUCTURE

Parcel	No. of Lots	Est. Street Improvements	Street Names	Linear Feet	Estimated Date of Completion
VI	57	\$450,000	268th Ave., Pontiac St., 267 th Lane, Yukon Dr.	2,100	Completed in Oct 2007 (a)
MI	145	\$700,000	271 st Lane, Behrend Dr., 271 st Ave., Tonto Lane, Sequoia Dr., 270 th Dr., Oraibi Dr., 270 th Lane	7,685	July 2011 (b)
	<u>202</u>	<u>\$1,150,000</u>		<u>9,785</u>	

(a) Parcel VI is completely paved. There are 20 completed vacation getaway homes located in this parcel used for marketing purposes.

(b) Parcel MI is currently under construction. Sewer, water and storm drain are complete. Dry utilities and retaining walls are under construction. Paving and concrete have been contracted and are scheduled to begin in May 2011.

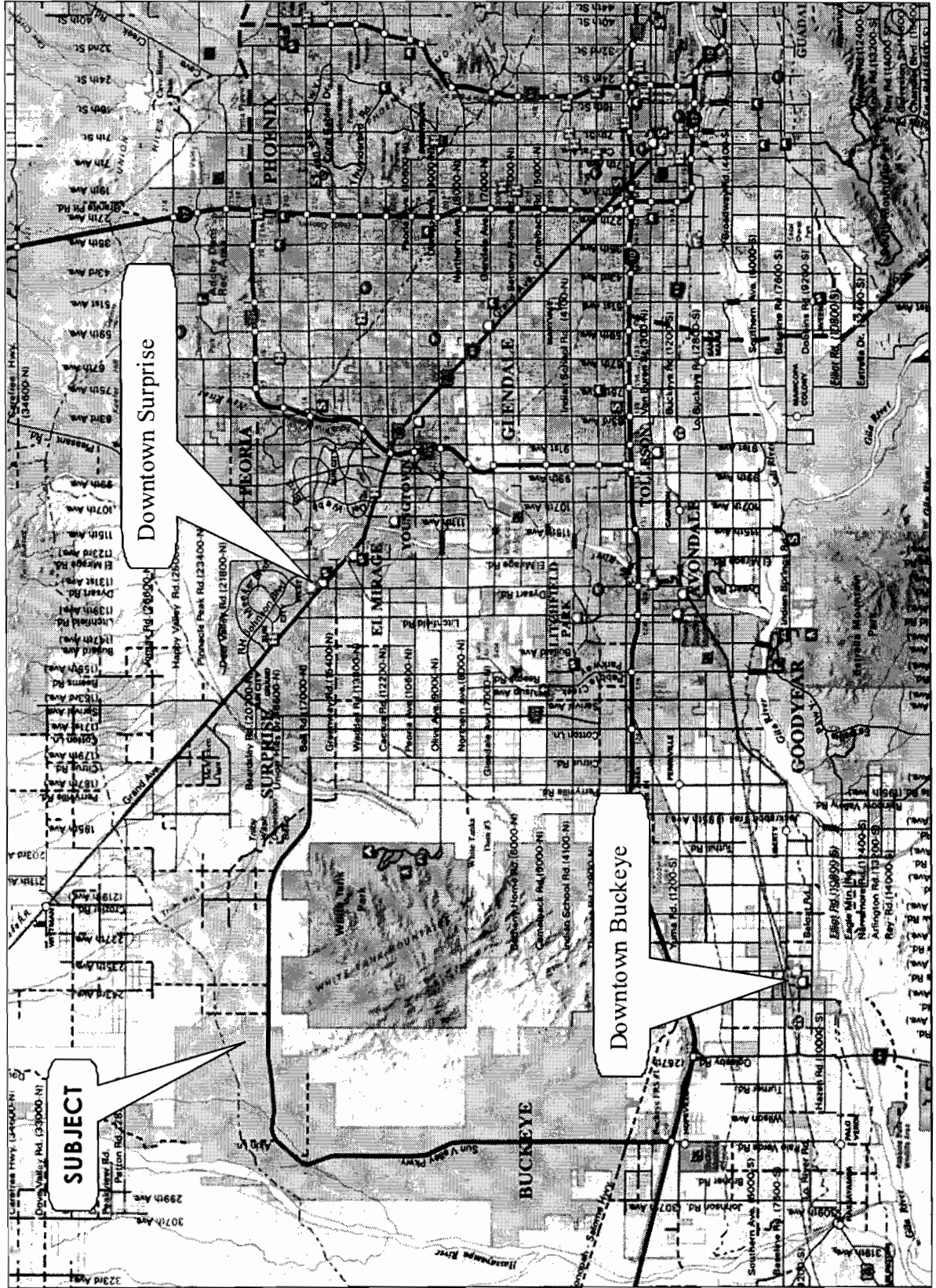
Listed below is an estimated draw schedule of the proceeds of the Bonds for the acquisition of the Public Infrastructure.

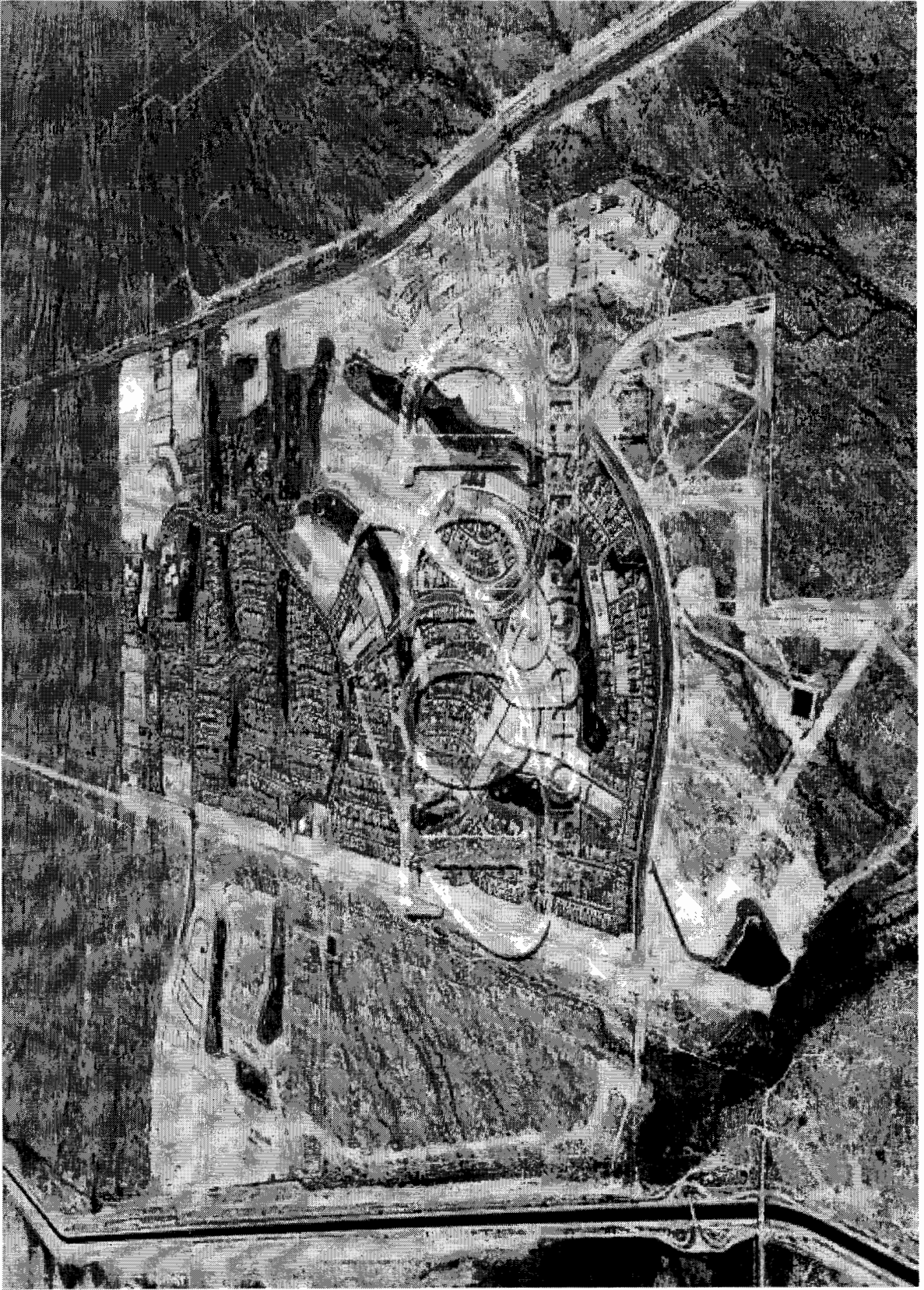
Public Infrastructure Project	Estimated Acquisition Price	Difference between Contract Price and Acquisition Price Paid by Pulte	Completion Date	Funds Draw Date
VI - 268th Ave., Pontiac St., 267 th Lane, Yukon Dr.	\$114,000	\$336,000	Oct 2007	Mar. 2011
MI - 271 st Lane, Behrend Dr., 271 st Ave., Tonto Lane, Sequoia Dr., 270 th Dr., Oraibi Dr., 270 th Lane	\$290,000	\$410,000	July 2011	Dec 2011
Total	<u>\$404,000</u>	<u>\$746,000</u>		

SECTION THREE

**MAP OF THE DISTRICT AND MAP OF ASSESSMENT DISTRICT
NO. 7**

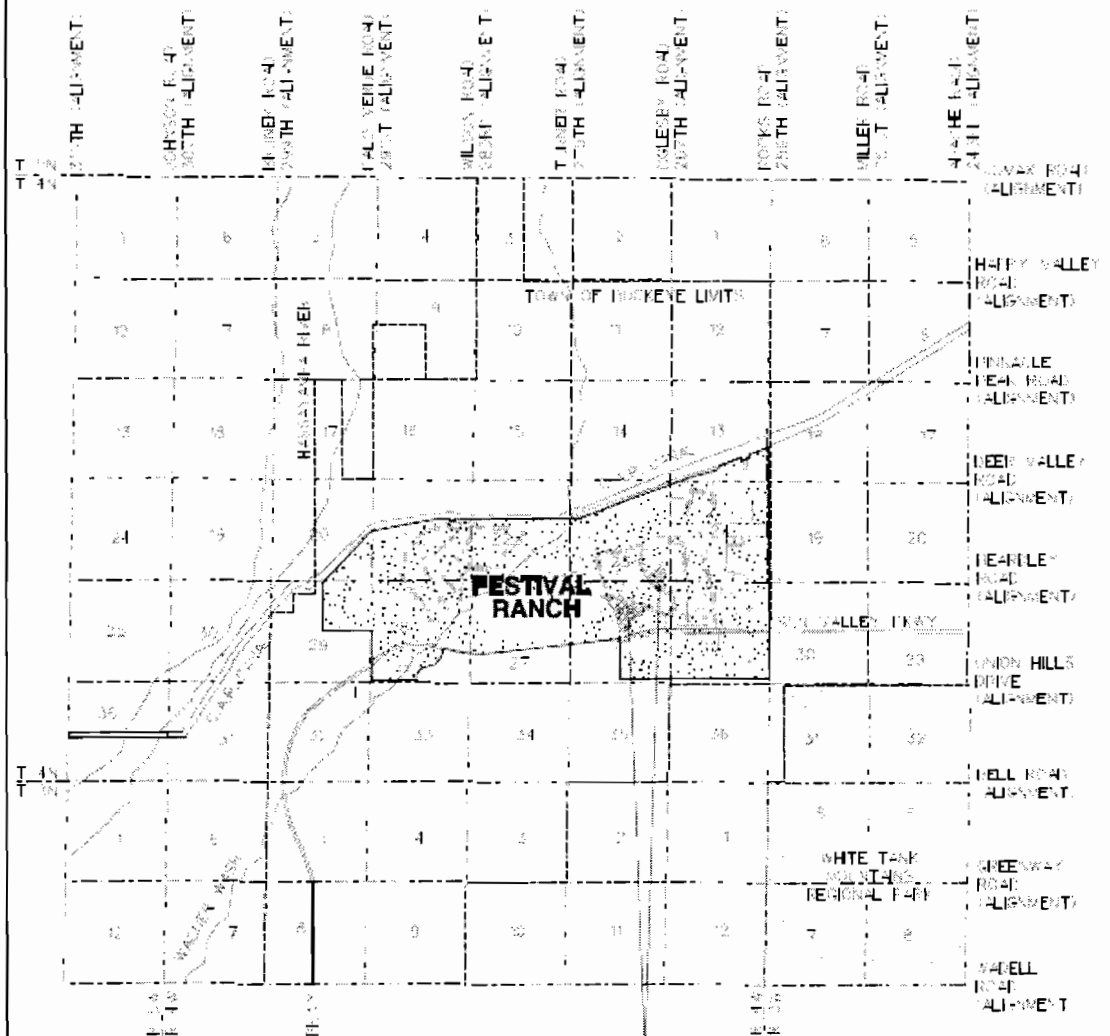
Location Map





SUN CITY FESTIVAL SPECIAL ASSESSMENT AREA #7

BUCKEYE, ARIZONA



**SUN CITY FESTIVAL
SPECIAL ASSESSMENT AREA #7**

VICINITY MAP



SCALE - NONE

2/01
 28 OCT 2010
 10:00 AM
 10/10/2010 10:00 AM

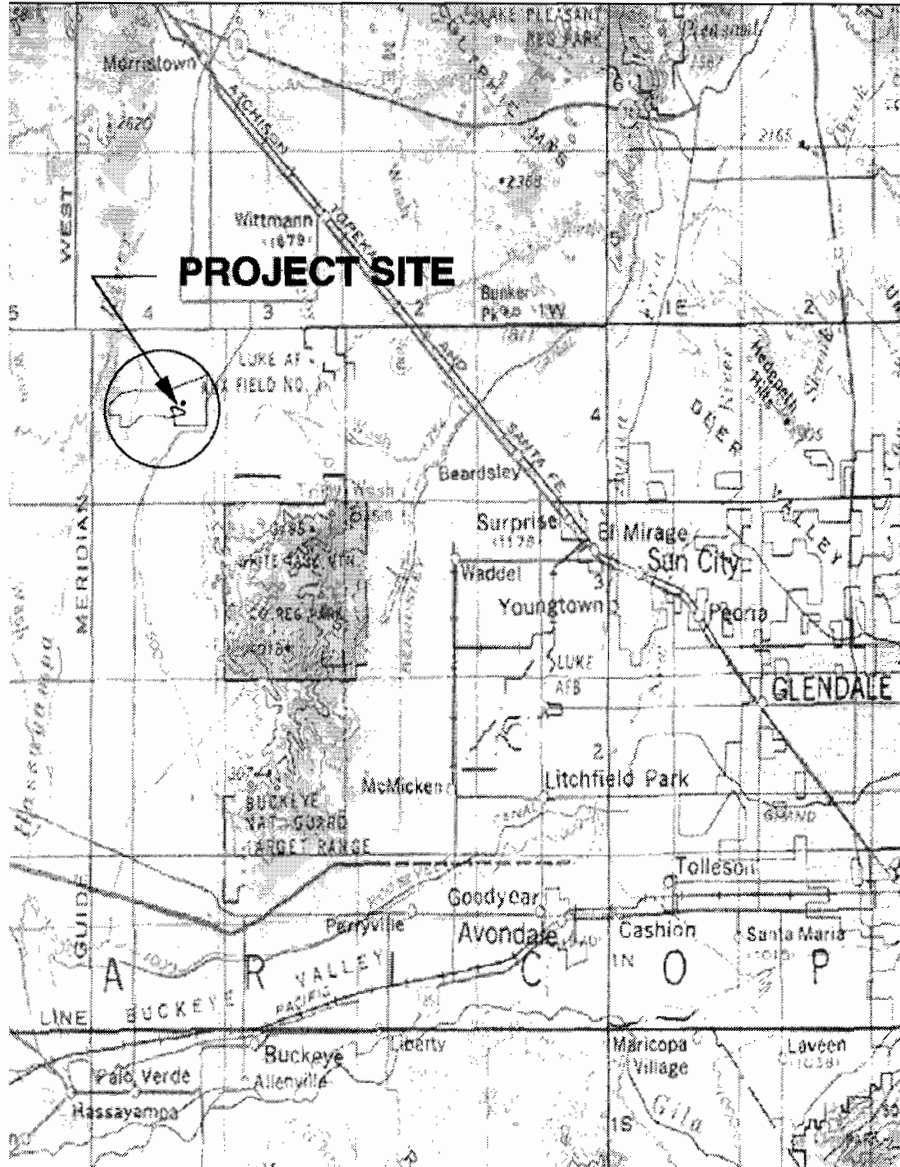


4350 NORTH 12TH STREET
 PHOENIX, ARIZONA 85014
 TELEPHONE 1-800-294-6831

COE & VAN LOO

JOB NO 200937	FIGURE 2
------------------	-------------

SUN CITY FESTIVAL SPECIAL ASSESSMENT AREA #7 BUCKEYE, ARIZONA



SCALE IN FEET

LOCATION MAP

DATE: OCT 2010
 16:33:56
 c:\p1\100317\newar7_d001b\map.dgn



1675 SOUTH 17TH STREET
 TULSA, OKLA 74104
 TELEPHONE (918) 438-1000

COE & VAN LOO
 PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE

DATE: 10/20/10
 FILE: 1

**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. 7. 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 Town Council formed the District on April 19, 2005.

The District has issued four previous special assessment revenue bond transactions for Assessment District No. 1 (Series 2005), Assessment District No. 2 and 3 (Series 2007) and Assessment District No. 4 and 5 (Series 2007) and Assessment District No. 6 (Series 2009).

(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 Stone & Youngberg LLC and closed on or around January 31, 2011. The Bonds will be unrated and will have transfer restrictions which are consistent with prior issuances of the District.

The Bonds have an aggregate value to lien of approximately 10.9 to 1 based on the most recent 2010/11 full cash value as established by the Maricopa County Assessor's office. The 2010/11 Maricopa County Assessor's full cash value for Assessment District No. 7 (Parcel VI & M1) is \$4,406,200. The Town's CFD policy requires a minimum value to lien of 4:1.

(iii) 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:

<u>Sources of Funds:</u>	
Principal Amount of Bonds	<u>\$404,000</u>
<u>Uses of Funds:</u>	
Cost of Public Infrastructure	\$301,955
Costs of Placement ^(a)	50,000
Placement Agent Fee	12,120
Debt Service Reserve Fund	39,925
Total Use of Funds	<u>\$404,000</u>

^(a) Represents estimated costs for bond counsel, financial advisor and the trustee, registrar and paying agent. PulteGroup will be responsible for paying the Costs of Placement 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. PulteGroup 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 time. PulteGroup expects home closings in Parcel VI around January 1, 2011 and Parcel MI around October 1, 2011.

(vi) Home owner's Obligation:

The \$2,000 per home assessment results in an annual assessment payment of approximately \$200.00 per home, or \$17.00 per month. This is based on a 25-year amortization with an estimated interest rate of 8.5%. The special assessment is payable at anytime 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, PulteGroup 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 (i.e., Waiver and Development Agreement Pertaining To The To Be Formed Assessment District No. 7).

(viii) Operation and Maintenance Estimated Revenues and Expenditures:

All infrastructure financed by the District will be dedicated to the Town. The obligations pertaining to the operation and maintenance of the Public Infrastructure have been negotiated between the Town, the District and PulteGroup 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 Home owner's Association ("HOA") is responsible for the operation and maintenance costs of landscaping for the roadways, trails, and open space within the District. All home owners are required to participate in the HOA. Monthly fees for the HOA are anticipated to be approximately \$85 per home owner.

Pursuant to the Festival Ranch Development Agreement, PulteGroup 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 Town 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.

Table I
\$404,000
Festival Ranch Community Facilities District
(Town of Buckeye, Arizona)
Assessment District No. 7
Special Assessment Revenue Bonds, Series 2011

Estimated Debt Service Schedule

<u>Date</u>	<u>Principal</u>	<u>Interest</u> ⁽¹⁾	<u>Total</u> <u>Debt Service</u>
7/1/2011		\$ 14,308	\$ 14,308
7/1/2012	\$ 5,644	34,340	39,984
7/1/2013	6,124	33,860	39,984
7/1/2014	6,644	33,340	39,984
7/1/2015	7,209	32,775	39,984
7/1/2016	7,822	32,162	39,984
7/1/2017	8,486	31,497	39,983
7/1/2018	9,208	30,776	39,984
7/1/2019	9,990	29,993	39,983
7/1/2020	10,839	29,144	39,983
7/1/2021	11,761	28,223	39,984
7/1/2022	12,761	27,223	39,984
7/1/2023	13,845	26,139	39,984
7/1/2024	15,022	24,962	39,984
7/1/2025	16,299	23,685	39,984
7/1/2026	17,684	22,299	39,983
7/1/2027	19,187	20,796	39,983
7/1/2028	20,818	19,165	39,983
7/1/2029	22,588	17,396	39,984
7/1/2030	24,508	15,476	39,984
7/1/2031	26,591	13,393	39,984
7/1/2032	28,851	11,132	39,983
7/1/2033	31,304	8,680	39,984
7/1/2034	33,964	6,019	39,983
7/1/2035	36,851	3,132	39,983
Total	<u>\$ 404,000</u>	<u>\$ 569,917</u>	<u>\$ 973,917</u>

⁽¹⁾ Interest is estimated at 8.5%. Subject to change based on market conditions.
Assumes a February 1, 2011 closing with a first interest payment date, July 1, 2011.

APPENDIX A

**LEGAL DESCRIPTION OF THE FESTIVAL RANCH
COMMUNITY FACILITIES DISTRICT AND ASSESSMENT
DISTRICT NO. 7**

October 25, 2010

LEGAL DESCRIPTION FOR
SUN CITY FESTIVAL
SPECIAL ASSESSMENT AREA No. 7

Parcel No. 1

Lots 1 through 57, inclusive, of Sun City Festival Parcel V1, recorded in Book 814 of Maps, Page 17, Records of Maricopa County, Arizona.

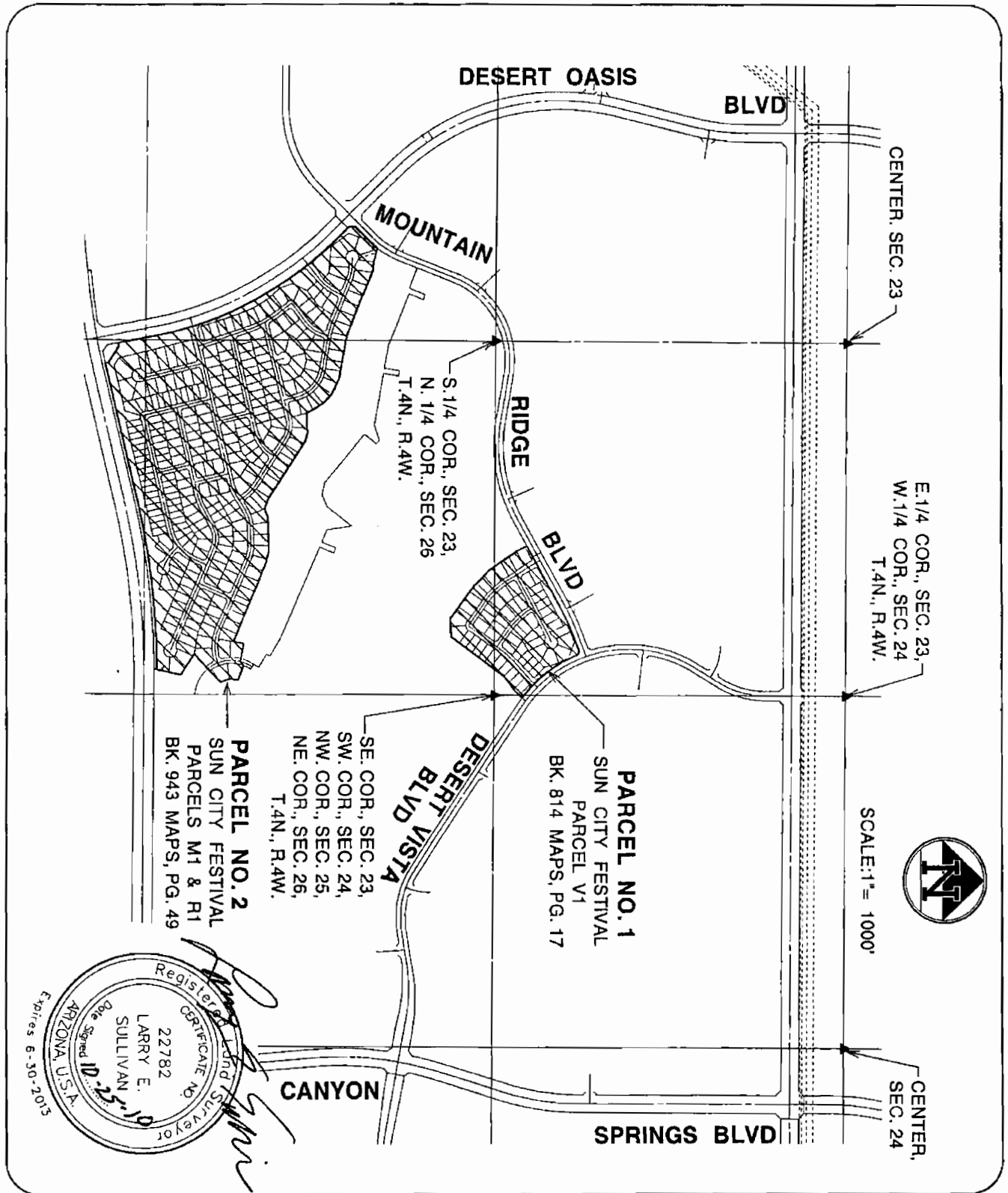
Parcel No. 2

Lots 1 through 98, inclusive, 148, 149, 169 through 178, inclusive, and 258 through 292, inclusive, of Sun City Festival Parcels M1 & R1, recorded in Book 943 of Maps, Page 49, Records of Maricopa County, Arizona.



Expires: 6/30/2013





<p>EXHIBIT</p> <p>N:\680001\LAND\EHASDIS7-1.DGN</p>	<p>SUN CITY FESTIVAL SPECIAL ASSESSMENT AREA NO. 7</p>	<p>JOB NO 68000801</p>
<p>4550 NORTH 12TH STREET PHOENIX, ARIZONA 85014 TELEPHONE (602) 264-6831</p>	<p>COE & VAN LOO PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE</p>	<p>SHEET 1 OF 1</p>

THE ARIZONA REPUBLIC

STATE OF ARIZONA }
COUNTY OF MARICOPA } SS.

Mark Gilmore, being first duly sworn, upon oath deposes and says: That he is a legal advertising representative of the Arizona Business Gazette, a newspaper of general circulation in the county of Maricopa, State of Arizona, published at Phoenix, Arizona, by Phoenix Newspapers Inc., which also publishes The Arizona Republic, and that the copy hereto attached is a true copy of the advertisement published in the said paper on the dates as indicated.

The Arizona Republic

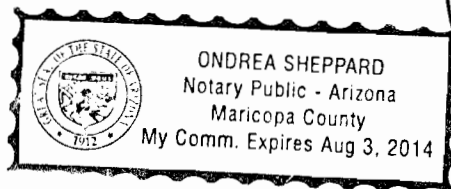
November 25, 2010



Sworn to before me this
29TH day of
November A.D. 2010



Notary Public



NOTICE OF PUBLIC HEARING TO THE GENERAL PUBLIC AND THE MEMBERS OF THE BOARD OF DIRECTORS OF FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (ASSESSMENT DISTRICT NO. 7) (TOWN OF BUCKEYE, ARIZONA):
NOTICE IS HEREBY GIVEN that the Board of Directors of the Festival Ranch Community Facilities District (Assessment District No. 7) (Town of Buckeye, Arizona) will meet on December 7, 2010, commencing immediately following the Town Council meeting which begins at 6:00 p.m., in the Town Council Chambers, 530 East Monroe Avenue, Buckeye, Arizona 85326 to conduct a public hearing on, and to consider and review a feasibility report relative to a proposed project to be financed by the issuance of special assessment bonds of the District. A copy of the feasibility report may be reviewed at the office of the District Clerk, 530 East Monroe Avenue, Buckeye, Arizona 85326.
Pub: November 25, 2010

PLEASE SILENCE ALL ELECTRONIC COMMUNICATION DEVICES (INCLUDING CELL PHONES/PAGERS)
BEFORE THE MEETING IS CALLED TO ORDER.
THANK YOU.

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

MEETING
OF THE COMMUNITY FACILITIES DISTRICTS TOWN OF BUCKEYE, ARIZONA
PURSUANT TO SECTIONS 48-711, 48-715 AND TITLE 38, CHAPTER 3, ARTICLE 3.1 ARIZONA REVISED
STATUTES, AS AMENDED, TAKE NOTICE THAT A MEETING OF THE
GOVERNING BOARD
OF
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE)

DECEMBER 7, 2010
AGENDA

Town 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. Approval of the October 19, 2010 Minutes for Festival Ranch Community Facilities District.

Board Action: Motion to Approve.

3. Approval/Ratify Expenditures - None

4. **Public Hearing and Action** Festival Ranch Community Facilities District

4A. Resolution No. 05-10 of the Board of Directors of the Festival Ranch Community Facilities District approving a feasibility report; declaring its intention to acquire and/or construct 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.

Staff Liaison: Larry D. Price, Finance Director

District No. 4

1. Open a Public Hearing as the Board of Directors to hear citizen input approving a feasibility report; declaring its intention to acquire and/or construct 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. Staff Report

3. Receive Public Comment

4. Close Public Hearing

5. Board of Directors to adopt Resolution No. 05-10 approving a feasibility report; declaring its intention to acquire and/or construct 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.

4B. **Action** Resolution No. 06-10 of the Board of Directors of the Festival Ranch Community Facilities District
Ordering the Public Infrastructure Projects Performed as Described in Resolution No. 05-10

Staff Liaison: Larry D. Price, Finance Director

District No. 4

Board of Directors to adopt Resolution No. 06-10, ordering the public infrastructure projects performed as described in Resolution 05-10.

Board Action: Motion to Approve.

5. Adjournment

Board Action: Motion to adjourn.

**MEETING
OF THE COMMUNITY FACILITIES DISTRICTS TOWN OF BUCKEYE, ARIZONA
PURSUANT TO SECTIONS 48-711, 48-715 AND TITLE 38, CHAPTER 3, ARTICLE 3.1 ARIZONA REVISED
STATUTES, AS AMENDED, TAKE NOTICE THAT A MEETING OF THE
GOVERNING BOARD
OF
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE)**

DECEMBER 7, 2010

MINUTES

**Town 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 7:40 p.m.

Members Present: Board Member Garza, Board Member Strauss, Board Member May, Board Member Orsborn, Board Member Heustis, Vice Chairman McAchran, and Chairman Meck.

Members Absent: None.

Departments Present: District Manager Stephen Cleveland, District Attorney Scott Ruby, District Clerk Lucinda Aja, District Deputy Clerk Deborah Harrell, and District Finance Director Larry Price.

2. Approval of the October 19, 2010 Minutes for Festival Ranch Community Facilities District.

A motion was made by Board Member May and seconded by Vice Chairman McAchran to approve the October 19, 2010 Minutes for Festival Ranch Community Facilities District. Motion passed unanimously.

3. Approval/Ratify Expenditures – None.

4. Public Hearing and Action Festival Ranch Community Facilities District

4A. Resolution No. 05-10 of the Board of Directors of the Festival Ranch Community Facilities District approving a feasibility report; declaring its intention to acquire and/or construct 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.

Staff Liaison: Larry D. Price, Finance Director

District No. 4

Mayor Meck opened the public hearing at 7:42 p.m. to hear citizen input approving a feasibility report; declaring its intention to acquire and/or construct 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. Finance Director Larry Price provided Council an overview of the feasibility report relating to construction and financing of improvements benefiting the Festival Ranch Community Facilities District. The financing allows the developer, Pulte Homes, to be reimbursed for approximately half of the cost of the public infrastructure for approximately 202 lots for single family homes. Mr. Patrick Brown (Pulte Homes) was in attendance and available to answer Council's questions. There being no further public comment, Mayor Meck closed the public hearing at 7:50 p.m. A motion was made by Board Member May and seconded by Board Member Strauss to adopt Resolution No. 05-10 approving a feasibility report; declaring its intention to acquire and/or construct 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.

**4B. Action Resolution No. 06-10 of the Board of Directors of the Festival Ranch Community Facilities District
Ordering the Public Infrastructure Projects Performed as Described in Resolution No. 05-10
Staff Liaison: Larry D. Price, Finance Director
District No. 4**

A motion was made by Board Member May and seconded by Board Member Strauss to adopt Resolution No. 06-10, ordering the public infrastructure projects performed as described in Resolution 05-10. Motion passed unanimously.

5. Adjournment

A motion was made by Board Member May and seconded by Board Member Orsborn to adjourn the meeting at 7:55 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 Festival Ranch Community Facilities District held on the 7th day of December, 2010. I further certify that a quorum was present.

Lucinda J. Aja, District Clerk

RESOLUTION NO. 05-10

RESOLUTION OF THE BOARD OF DIRECTORS OF THE FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE, ARIZONA) APPROVING THE FEASIBILITY REPORT RELATING TO THE ACQUISITION, CONSTRUCTION AND FINANCING OF CERTAIN IMPROVEMENTS BENEFITTING THE DISTRICT; DECLARING ITS INTENTION TO ACQUIRE AND/OR CONSTRUCT CERTAIN IMPROVEMENTS DESCRIBED IN THE FEASIBILITY REPORT; FORMING A SPECIAL ASSESSMENT DISTRICT; 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 Section 48-715, Arizona Revised Statutes ("A.R.S."), as amended, the Board of Directors of the Festival Ranch Community Facilities District (Town 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 constructed 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 Section 48-715, A.R.S., 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 (TOWN 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 this 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 Special Assessment Revenue Bonds, Series 2011.

"*Clerk*" shall mean the Clerk of the District.

"*Debt Service Reserve*" 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 Town 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 (Town 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 Projects described in the Report and this resolution, showing the estimated costs and expenses of acquisition and construction of the Project to be not less than \$316,895, together with estimated Incidental Expenses (\$47,120), a Debt Service Reserve Fund (\$39,925) for a total cost not to exceed \$404,000, 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, appraiser's fees, any discount on the Bonds, any paying agent's fees, all legal and financial 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 or construction of public infrastructure (as such term is defined in the Act) described in the Report including particularly, the acquisition and/or construction by the District of the public infrastructure described on Exhibit D hereto.

"Report" shall mean the Feasibility Report dated December 7, 2010 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 Projects 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 W.C. Scoutten, Inc. 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. 7, by and between the District and Pulte Home Corporation, and certain lienholders, recorded at docket number 20110159739 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 Town 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 December 7, 2010, 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 (Town of Buckeye, Arizona) Special Assessment Revenue Bonds, Series 2010, 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-five (25) annual principal installments from the assessments of \$25.00 or over remaining unpaid as of the end of the cash collection period; however, if the special assessments are not collected or collection is delayed and consequently such special assessments are insufficient, then from the Cash Flow Stabilization Fund.

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 July immediately preceding the maturity date of any Bonds, installments of interest shall be due on the first day of January and July.

The Bonds shall bear interest at rate or rates of not to exceed twelve percent (12%) 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 § 48-618, Arizona Revised Statutes, 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. Establishment of Grade. The grades and elevations for the Streets are hereby officially changed to correspond with the grades and elevations shown on the final Plans.

Section 10. Statutory Authority. The Project and all proceedings pertaining thereto shall be acquired, constructed and performed under the provisions of the Act.

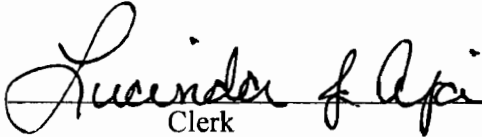
Section 11. Delegation of Authority. The District Engineer and the Superintendent of Streets are hereby authorized to complete the Plans, specification and any contract documents.

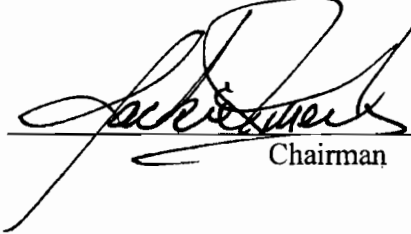
Section 12. Right to Reduce Scope of Work. If, because of pending or threatened litigation concerning any one or more parcels subject to the Assessment, the District and the winning bidder receive a written opinion of Bond Counsel stating that the Bonds cannot be issued against such parcel or parcels or the Assessment District is unable to obtain any right-of-way necessary for the acquisition or construction of the Project, the District may then cause the acquisition or construction 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 § 48-540 and § 48-597, Arizona Revised Statutes, as amended, may be deemed to be threatened litigation.

Section 13. Waiver and Assessment. The owners and lienholders of the property within the Assessment District have heretofore executed and delivered 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) agreed to accept 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.

PASSED, ADOPTED AND APPROVED on December 7, 2010.

ATTEST:


Clerk


Chairman

APPROVED AS TO FORM:


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 (Town of Buckeye, Arizona) at a regular meeting held on December 7, 2010, and that a quorum was present thereat and that the vote thereon was 7 ayes and 0 nays; 0 did not vote or were absent.


Clerk

EXHIBIT A

Legal Description of Assessment District

October 25, 2010

LEGAL DESCRIPTION FOR
SUN CITY FESTIVAL
SPECIAL ASSESSMENT AREA No. 7

Parcel No. 1

Lots 1 through 57, inclusive, of Sun City Festival Parcel VI, recorded in Book 814 of Maps, Page 17, Records of Maricopa County, Arizona.

Parcel No. 2

Lots 1 through 98, inclusive, 148, 149, 169 through 178, inclusive, and 258 through 292, inclusive, of Sun City Festival Parcels M1 & R1, recorded in Book 943 of Maps, Page 49, Records of Maricopa County, Arizona.

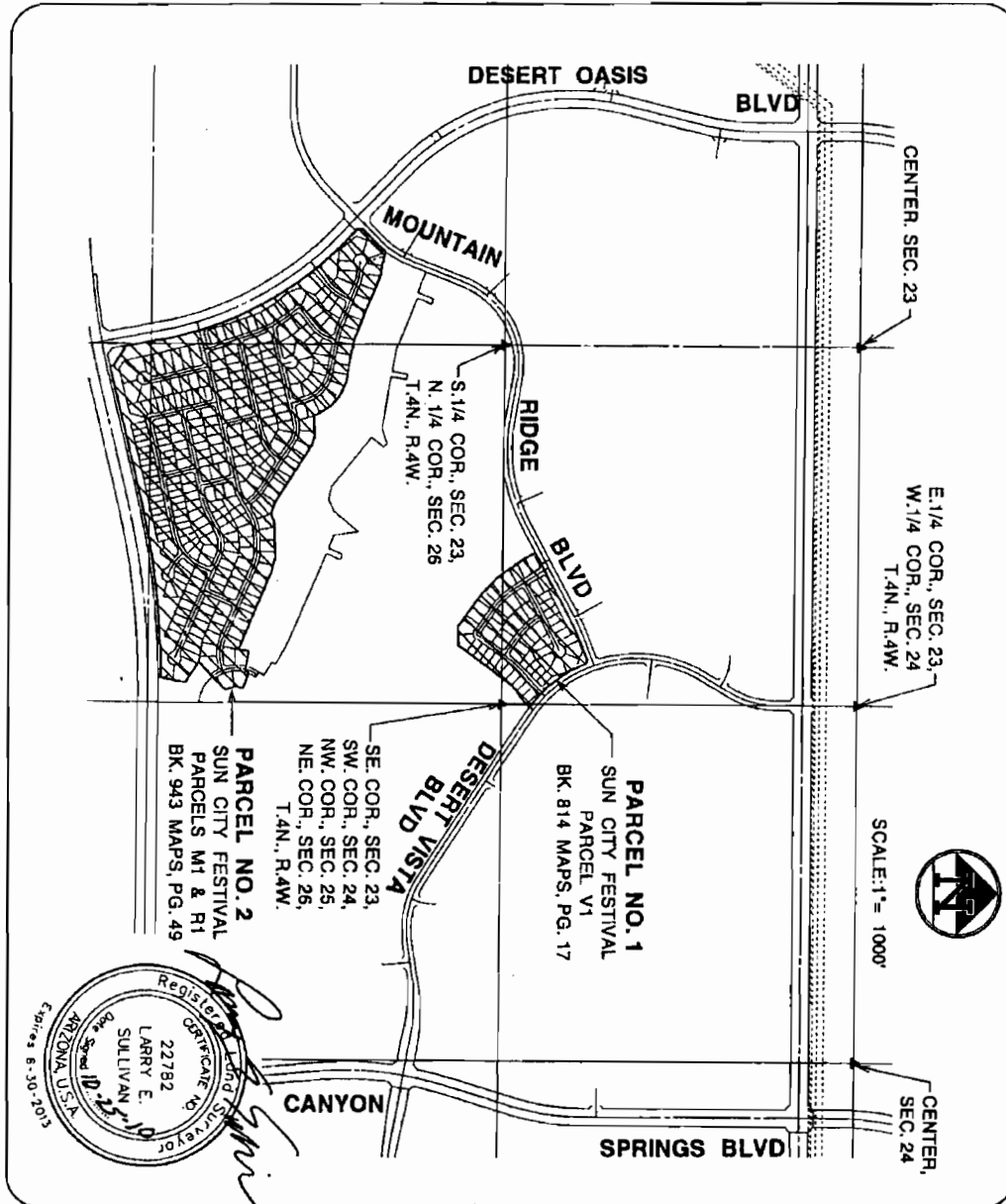


Expires: 6/30/2013



EXHIBIT B

Map of the District



Registered Professional Engineer
 LARRY E. SULLIVAN
 22782
 ARIZONA U.S.T.C.
 Expires 8-30-2010

EXHIBIT N:\680001\LANDEHASD187-1.DGN	SUN CITY FESTIVAL SPECIAL ASSESSMENT AREA NO. 7	JOB NO 68000801
4550 NORTH 12TH STREET PHOENIX, ARIZONA 85014 TELEPHONE (602) 264-6831	COE & VAN LOO PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE	SHEET 1 OF 1

EXHIBIT C

ENGINEER'S ESTIMATED COSTS

SUN CITY FESTIVAL
ASSESSMENT DISTRICT NO. 7
DESCRIPTION OF PUBLIC INFRASTRUCTURE

<u>Parcel</u>	No. Of <u>Lots</u>	Est. Street <u>Improvements</u>	<u>Street Names</u>	Linear <u>Feet</u>
V1	57	\$450,000	268 th Ave., Pontiac St., 267 th Lane, Yukon Dr., 271 st Lane, Behrend Dr.	2,100
M1	145	\$700,000	271 st Ave., Tonto Lane, Sequoia Dr., 270 th Dr., Oraibi Dr., 270 th Lane	7,685
	<u>202</u>	<u>\$1,150,000</u>		<u>9,785</u>

EXHIBIT D

The Assessment District shall finance the construction, installation or acquisition of public infrastructure (as such term is defined in the Act) described in the Report, including particularly the acquisition, installation or construction by the District of the following:

Street Improvements to following Streets	Linear Feet
268 th Ave., Pontiac St., 267 th Lane, Yukon Dr., 271 st Lane, Behrend Dr.	2,100
271 st Ave., Tonto Lane, Sequoia Dr., 270 th Dr., Oraibi Dr., 270 th Lane	7,685

RESOLUTION NO. 06-10

RESOLUTION OF THE BOARD OF DIRECTORS OF THE FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE, ARIZONA) ORDERING THE PUBLIC INFRASTRUCTURE PROJECTS PERFORMED AS DESCRIBED IN RESOLUTION NO. 05-10.

WHEREAS, on December 7, 2010, the Board of Directors (the "*Board*") of the Festival Ranch Community Facilities District (Town of Buckeye, Arizona) passed and adopted Resolution No. 05-10 (the "*Resolution of Intention*"), declaring its intention to acquire and/or construct the Projects (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 Projects 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 Projects 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 (Town of Buckeye, Arizona) Waiver and Development Agreement Pertaining to Assessment District No. 7 (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 Projects and objections to the extent of the Assessment District; and

WHEREAS, the Board has thereby acquired jurisdiction to order the acquisition, construction and performance of the Projects;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (TOWN 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.

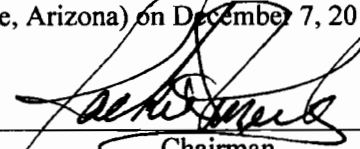
Section 2. Ordering the Performance of the Projects. By virtue of the authority vested in Title 48, Chapter 4, Article 6, Arizona Revised Statutes, and all amendments thereto, the Board hereby orders the acquisition, construction or performance of the Project as described in the Resolution of Intention. The District Engineer shall cause to be prepared, if and where necessary, final Plans and contract documents for the Project. When applicable, upon completion of the final Plans, the Superintendent of Streets shall invite sealed bids for construction of 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.

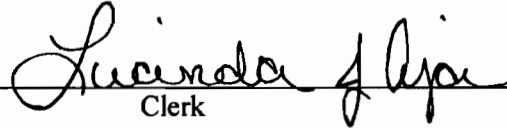
Section 3. Assessment and Collection. The District Engineer and Superintendent of Streets are hereby authorized and directed to prepare and record assessment against the real property contained within the Assessment District. The assessment shall be allocated among the parcels and lots within the Assessment 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.

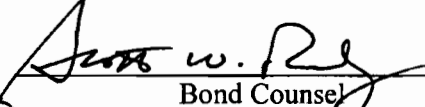
PASSED, ADOPTED AND APPROVED by the Board of Directors of the Festival Ranch Community Facilities District (Town of Buckeye, Arizona) on December 7, 2010.

ATTEST:


Chairman

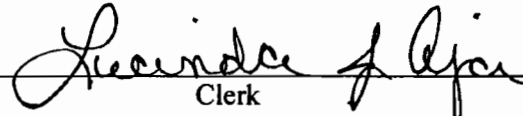

Clerk

APPROVED AS TO FORM:


Bond Counsel

CERTIFICATE

I hereby certify that the above and foregoing Resolution No. __-10 was duly passed by the Board of Directors of the Festival Ranch Community Facilities District (Town of Buckeye, Arizona) at a regular meeting held on December 7, 2010, and that a quorum was present thereat and that the vote thereon was 7 ayes and 0 nays. 0 did not vote or were absent.


Clerk

When recorded return to:
Mr. Scott W. Ruby
Gust Rosenfeld P.L.C.
201 E. Washington Street, Suite 800
Phoenix, Arizona 85004-2327

**FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
WAIVER AND DEVELOPMENT AGREEMENT
PERTAINING TO ASSESSMENT DISTRICT NO. 7**

This Festival Ranch Community Facilities District (Town of Buckeye, Arizona) Waiver and Development Agreement Pertaining to Assessment District No. 7, dated as of January 18, 2011 (the "*Agreement*") by and among Festival Ranch Community Facilities District (Town 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 Town of Buckeye, Arizona, an Arizona municipal corporation (the "*Town*") 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 7 (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 shall be bound by the terms, waivers and agreements set forth in this Agreement and bound by the Assessments (as defined hereafter) recorded against the Property; and

WHEREAS, the proposed public infrastructure purposes to be provided by the Assessment District shall consist of:

A. Acquisition, installation and/or construction 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, installation and construction 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 completion of all construction of and acquisition of the public infrastructure listed above, plus six months thereafter; and

D. A debt service reserve fund created for such Assessment District bonds.

Collectively, the construction and 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*".

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 the Assessments against the Property; and

NOW, THEREFORE, the Interested Parties and Lienholders 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 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, Scope of Work and 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 the Work is and will not exceed \$1,174,122.00.

(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; (b) the District and the Assessment District may incur costs and expenses necessary to complete or acquire the Work; (c) 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 hereby agree to allow the formation of the Assessment District and to allow the Assessment District to 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 pursuant to § 48-590.

5. Approval of Proceedings. The Interested Parties and Lienholders, 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 and the levying of the Assessments against the Property.

6. Waiver. The Interested Parties and Lienholders, 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 or construction 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 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.

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 District with respect to 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. **Acceptance of Assessment.** The Interested Parties and Lienholders agree to accept 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 consent to the recordation of the Assessments against the Property and agree upon such recording 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.

12. **Assessments to go to Bond.** Except as any Interested Party 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 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. **Acceptance of Partial Assessment.** 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, 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 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 consent to the dedication, without cost, of the rights-of-way, easements and other property, as required by the District or Assessment District for construction of the Work. The Interested Parties and Lienholders agree to cooperate in effectuating any required dedication, including execution of any required document.

16. **Payment of Maintenance Costs.** 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 improvements.

17. **Indemnification Under Securities Act.** The Interested Parties, jointly and severally, hereby agree to indemnify and hold the District and the Town 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 Town, its officers, employees and agents, within the meaning of the Securities Act of 1933, as amended (the "*Securities Act*") (collectively

the "*Indemnified Persons*") harmless for, 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, and the Town, 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 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 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.

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 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 Town 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 by Interested Parties.

(i) Except as to certain payments or reimbursements applied for by Interested Party Pulte pursuant to the District Agreement, 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 causes of action 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 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 certain issues relating to the warranty provided in connection with certain public infrastructure under the Development Agreement and the repayment of, or payment of, certain impact fees by Interested Party Pulte, Interested Party Pulte knowingly and voluntarily forever releases and discharges the Town and all of their past and present elected officials, officers, directors, agents, employees, successors, assigns, attorneys, and representatives from all legal and equitable causes of action 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 Town 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 Town 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 need 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 assessment lien, established by the district, encumbering the Property.

28. **Lienholder Consent.** The Interested Parties represent that the only Lienholder is Meng Shiang Chen Ni, a married woman dealing with her sole and separate property.

[SIGNATURE PAGES TO FOLLOW]

OWNER:

**PULTE HOME CORPORATION, a
Michigan corporation**

By - 

Its: MIKE BRILL
VP-LAND DEVELOPMENT

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 27 day of
January, 2011, by MIKE BRILL the VP-LAND DEVELOPMENT Pulte Home
Corporation, a Michigan corporation, on behalf of the corporation.

(Seal and Expiration Date)


Notary Public



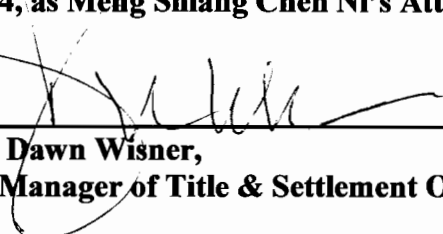
LIENHOLDER CONSENT AND AGREEMENT

Reference is made to that certain Festival Ranch Community Facilities District (Town of Buckeye, Arizona) Waiver and Development Agreement, dated as of January 18, 2011, 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, as one of the Lienholders 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 of the obligations of any party under the Agreement.

Date: January 31, 2011

MENG SHIANG CHEN NI

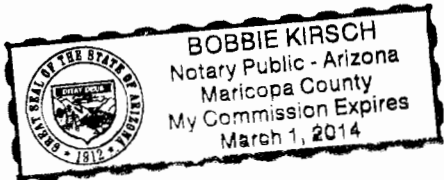
**By: Sun City Title Agency Co., an Arizona corporation,
dba Sun Title Agency, Successor Trustee under that
certain Performance Deed of Trust dated May 17,
2004, as Meng Shiang Chen Ni's Attorney-in-Fact**

By: 
**Dawn Wisner,
Manager of Title & Settlement Operations**

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 31st day of January, 2011, by Dawn Wisner, Manager of Title & Settlement Operations of Sun City Title Agency Co., an Arizona corporation, dba Sun Title Agency, Successor Trustee under that certain Performance Deed of Trust dated May 17, 2004, as Meng Shiang Chen Ni's Attorney-in-Fact,


(Seal and Expiration Date)




Notary Public

ACCEPTED:

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

By 
Its: Chairman

Date 2-16-2011

STATE OF ARIZONA)
) SS.
COUNTY OF MARICOPA)



~~January~~ The foregoing instrument was acknowledged before me this 16th day of ~~January~~, 2011, by Jackie A. Meck the Chairman of Festival Ranch Community Facilities District (Town of Buckeye, Arizona).

(Seal and Expiration Date) 01-16-2014

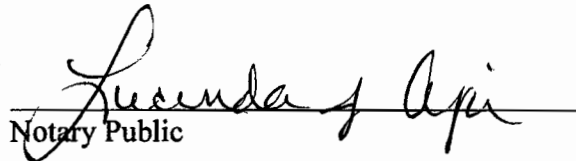

Notary Public

EXHIBIT A

LEGAL DESCRIPTION AND MAP

July 23, 2010

LEGAL DESCRIPTION FOR
SUN CITY FESTIVAL
SPECIAL ASSESSMENT AREA No. 7

Parcel No. 1

Lots 1 through 57, inclusive, of Sun City Festival Parcel V1, recorded in Book 814 of Maps, Page 17, Records of Maricopa County, Arizona.

Parcel No. 2

Lots 1 through 98, inclusive, 148, 149, 169 through 178, inclusive, and 258 through 292, inclusive, of Sun City Festival Parcels M1 & R1, recorded in Book 943 of Maps, Page 49, Records of Maricopa County, Arizona.

Parcel No. 3

That part of the South Half of Section 13 and the North Half of Section 24, Township 4 North, Range 4 West, of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the G.L.O. Brass Cap marking the West Quarter Corner of said Section 24, from which the G.L.O. Brass Cap marking the Southwest Corner of said Section 24 bears South $00^{\circ}23'31''$ West, a distance of 2,640.13 feet;

Thence North $00^{\circ}22'48''$ East, along the West line Northwest Quarter of said Section 24, a distance of 1,256.00 feet;

Thence South $89^{\circ}36'38''$ East, departing said West line, a distance of 202.00 feet;

Thence North $00^{\circ}22'48''$ East, a distance of 132.00 feet;

Thence South $89^{\circ}36'38''$ East, a distance of 476.10 feet to the beginning of a tangent curve of 300.00 foot radius, concave Northwesterly;

Thence Northeasterly, along said curve, through a central angle of $32^{\circ}27'10''$, a distance of 169.93 feet;

Thence North $57^{\circ}56'12''$ East, a distance of 275.62 feet to the beginning of a tangent curve of 300.00 foot radius, concave Southeasterly;

Thence Northeasterly, along said curve, through a central angle of $06^{\circ}35'56''$, a distance of 34.55 feet;



Legal Description for
Sun City Festival
Special Assessment Arca No. 7
July 23, 2010

Thence North 25°27'52" West, a distance of 142.50 feet to the beginning of a tangent curve of 1,500.00 foot radius, concave Northeasterly;

Thence Northwesterly, along said curve, through a central angle of 04°55'57", a distance of 129.13 feet;

Thence North 20°31'55" West, a distance of 282.74 feet;

Thence North 69°28'05" East, a distance of 151.65 feet to the beginning of a tangent curve of 400.00 foot radius, concave Southeasterly;

Thence Northeasterly, along said curve, through a central angle of 20°54'38", a distance of 145.98 feet;

Thence South 89°37'17" East, a distance of 307.28 feet to the True Point of Beginning;

Thence North 00°22'43" East, a distance of 22.00 feet;
Thence North 45°22'43" East, a distance of 21.21 feet;
Thence North 00°22'43" East, a distance of 75.00 feet;
Thence North 26°11'11" West, a distance of 22.36 feet;
Thence North 89°37'17" West, a distance of 105.00 feet;

Thence North 00°22'43" East, a distance of 319.00 feet to a point on the North line of the Northwest Quarter of said Section 24;

Thence North 89°37'17" West, along said North line, a distance of 210.22 feet;

Thence North 20°32'23" West, departing said North line, a distance of 55.02 feet to a point on the Southerly right-of-way line for the Central Arizona Project Canal;

Thence North 69°27'37" East, along said Southerly right-of-way line, a distance of 1,596.23 feet to a point on the North South mid-section line of Section 13;

Thence North 69°27'38" East, along said Southerly right-of-way line, a distance of 104.88 feet;

Thence South 07°39'01" West, a distance of 245.00 feet;

Thence South 55°27'32" East, a distance of 22.42 feet to a point on a 522.00 foot radius non-tangent curve, whose center bears South 09°09'21" West;

Thence Northwesterly, along said curve, through a central angle of 02°11'44", a distance of 20.00 feet;

Thence South 14°26'19" West, a distance of 44.41 feet;



Legal Description for
Sun City Festival
Special Assessment Area No. 7
July 23, 2010

Thence South 00°24'03" West, a distance of 534.32 feet;
Thence North 87°48'12" West, a distance of 154.54 feet;
Thence North 25°05'34" West, a distance of 22.27 feet;
Thence North 89°00'44" West, a distance of 64.57 feet;
Thence North 80°19'53" West, a distance of 210.00 feet;
Thence South 09°40'07" West, a distance of 110.00 feet;
Thence North 80°19'53" West, a distance of 35.81 feet;
Thence South 09°40'07" West, a distance of 44.00 feet;
Thence South 35°19'53" East, a distance of 21.21 feet;

Thence South 09°40'07" West, a distance of 17.21 feet to the beginning of a tangent curve of 272.00 foot radius, concave Easterly;

Thence Southerly, along said curve, through a central angle of 22°11'35", a distance of 105.36 feet;

Thence South 12°31'28" East, a distance of 201.94 feet to a point on the Northerly Boundary for Sun City Festival - Parcels P1 & I1 recorded in Book 961 of Maps, Page 46, Maricopa County Records;

Thence along said Northerly Boundary the following courses:

Thence South 32°28'32" West, a distance of 21.21 feet;
Thence South 77°28'32" West, a distance of 190.40 feet;
Thence North 60°48'53" West, a distance of 22.40 feet;

Thence South 70°53'42" West, a distance of 44.00 feet to a point on a 278.00 foot radius non-tangent curve, whose center bears South 70°53'42" West;

Thence Southeasterly, along said curve, through a central angle of 09°37'27", a distance of 46.70 feet;

Thence South 09°28'51" East, a distance of 105.83 feet;

Thence South 80°31'09" West, departing said Northerly Boundary line, a distance of 115.00 feet;

Thence North 09°28'51" West, a distance of 80.00 feet;
Thence North 14°51'04" West, a distance of 72.78 feet;
Thence North 38°23'16" West, a distance of 69.36 feet;
Thence North 62°57'25" West, a distance of 69.36 feet;
Thence North 85°39'03" West, a distance of 73.75 feet;
Thence North 89°37'17" West, a distance of 160.00 feet;
Thence North 00°22'43" East, a distance of 115.00 feet;



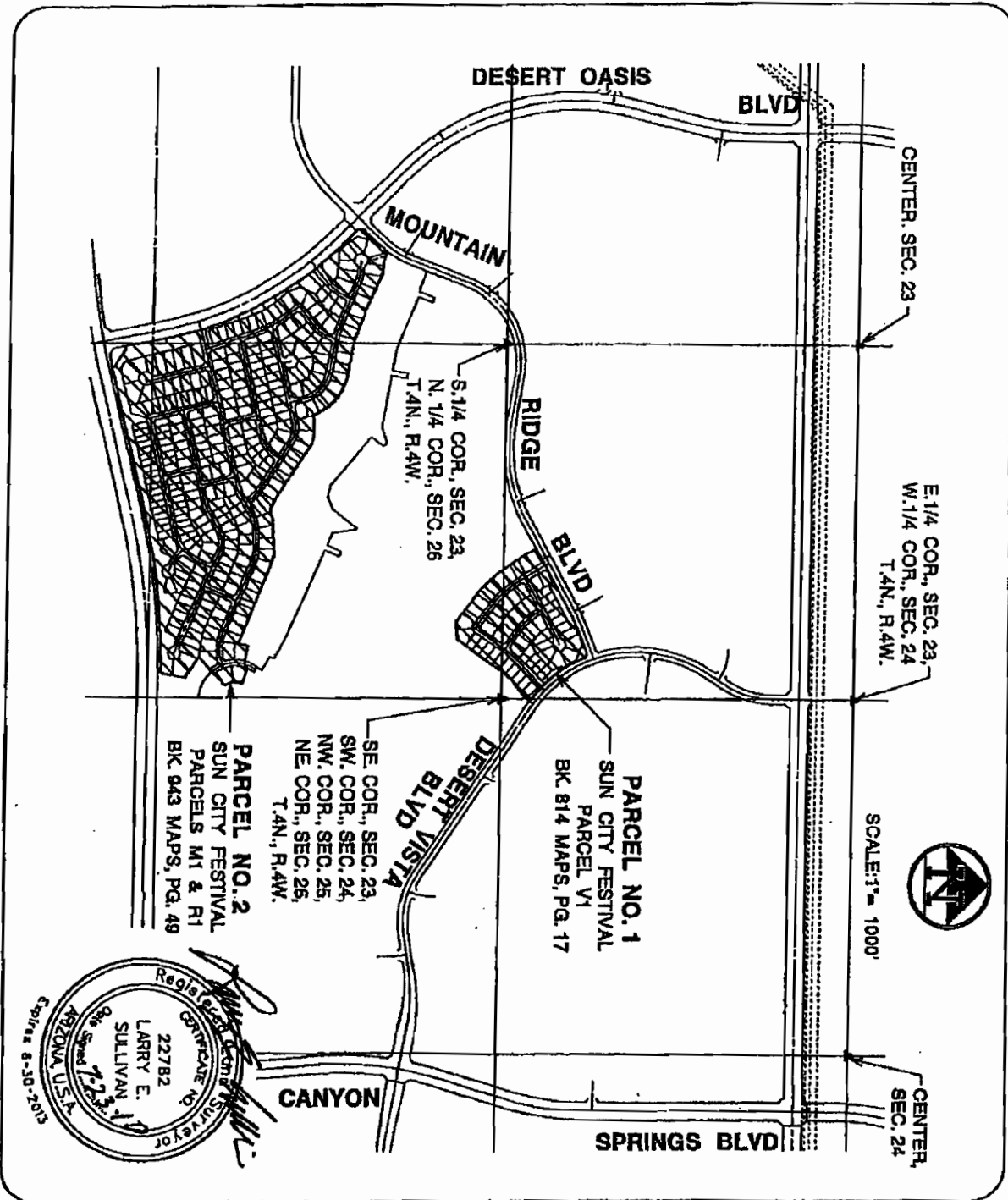
Legal Description for
Sun City Festival
Special Assessment Area No. 7
July 23, 2010

Thence North 89°37'17" West, a distance of 64.65 feet;

Thence North 00°22'43" East, a distance of 22.00 feet to the True Point of Beginning.



Expires: 8/30/2013



<p>EXHIBIT</p> <p>N:\680001\ANDREHASOSI.DGN</p>	<p>SUN CITY FESTIVAL SPECIAL ASSESSMENT AREA NO. 7</p>	<p>JOB NO 68000801</p>
<p>4550 NORTH 12TH STREET PHOENIX, ARIZONA 85014 TELEPHONE (602) 264-6831</p>	<p>COE & VAN LOO PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE</p>	<p>SHEET 1 of 2</p>

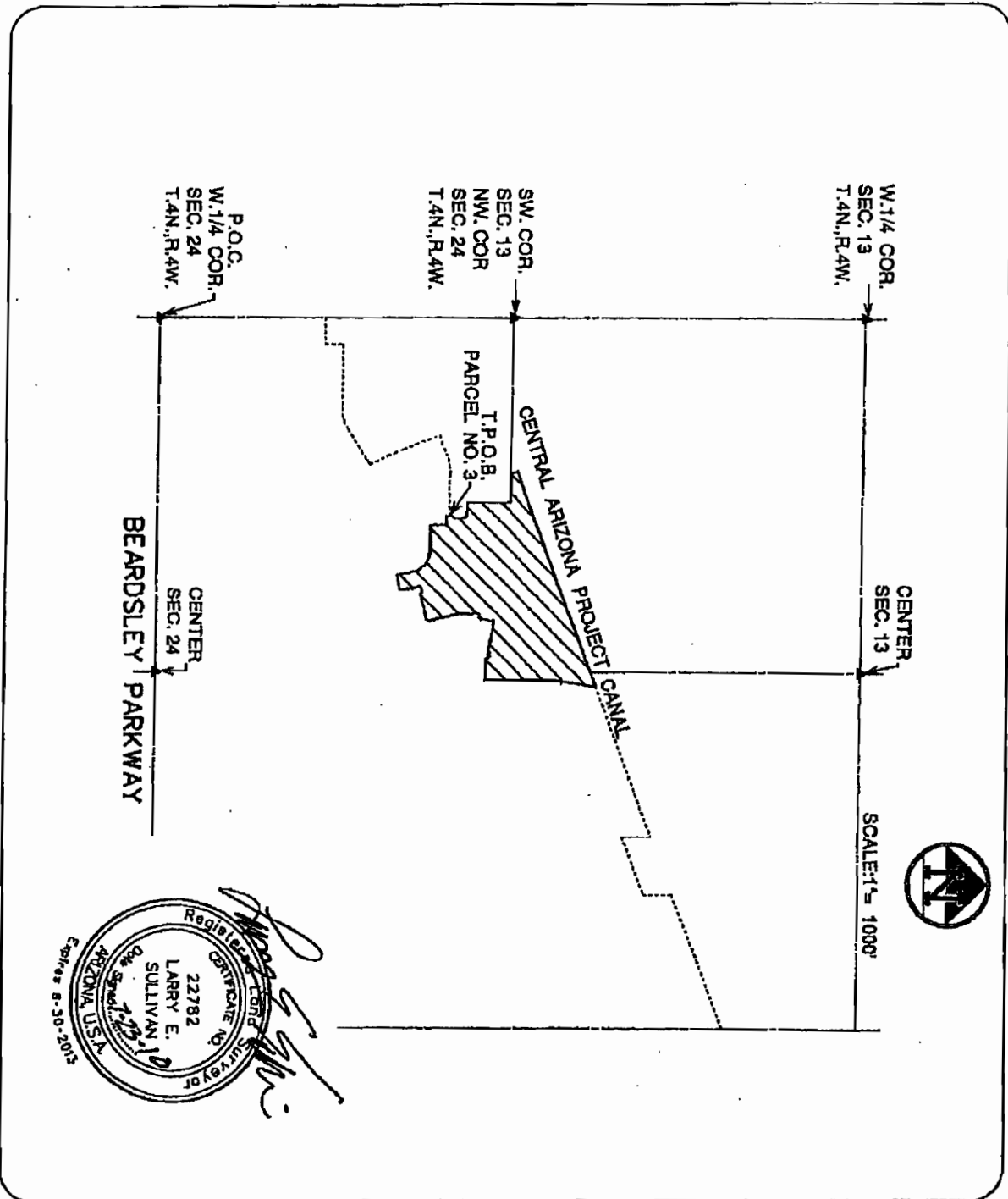


EXHIBIT N:\680001\LAND\EXHIBIT\67-1.DGN	SUN CITY FESTIVAL SPECIAL ASSESSMENT AREA NO. 7	JOB NO 68000801
4550 NORTH 12TH STREET PHOENIX, ARIZONA 85014 TELEPHONE (602) 264-8831	COE & VAN LOO PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE	SHEET 2 OF 2

EXHIBIT B

PUBLIC INFRASTRUCTURE

"Public Infrastructure" means, for purposes of this Agreement, the following:

DESCRIPTION OF PUBLIC INFRASTRUCTURE

<u>Parcel</u>	<u>No. of Lots</u>	<u>Est. Street Improvements</u>	<u>Street Names</u>	<u>Linear Feet</u>	<u>Estimated Date of Completion</u>
V1	57	\$357,836	268th Ave., Pontiac St., 267 th Lane, Yukon Dr.	2100	Completed in Oct 2007
L1	93	\$276,981	Vista North Dr., Tina Lane, 263 rd Court, 263 rd Dr., Cat Balue Dr., 265 th Dr.,	3942	March 2011
M1	145	\$539,305	271 st Lane, Behrend Dr., 271 st Ave., Tonto Lane, Sequoia Dr., 270 th Dr., Oraibi Dr., 270 th Lane	7685	December 2010
	<u>295</u>	<u>\$1,174,122</u>		<u>13,727</u>	

When recorded return to:
Mr. Scott W. Ruby
Gust Rosenfeld P.L.C.
201 E. Washington Street, Suite 800
Phoenix, Arizona 85004-2327

**FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
WAIVER AND DEVELOPMENT AGREEMENT
PERTAINING TO THE TO BE FORMED ASSESSMENT DISTRICT NO. 7**

This Festival Ranch Community Facilities District (Town of Buckeye, Arizona) Waiver and Development Agreement Pertaining to the proposed formation of Assessment District No. 7, is dated July 21, 2010 (the "Agreement") by and among Festival Ranch Community Facilities District (Town of Buckeye, Arizona) (the "District"), and the undersigned owners of Lot number 13 of Sun City Festival Parcel V1, recorded in Book 814 of Maps, Page 17, Records of Maricopa County, Arizona and located within the District (or holders of options or contracts to purchase land within the District) (collectively referred to as "Interested Parties").

WHEREAS, the Town of Buckeye, Arizona, an Arizona municipal corporation (the "Town") 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"), Pulte intends to request the District to form assessment district number 7 (the "Assessment District") comprised of Lots 1 through 57, inclusive of Sun City Festival Parcel V1, recorded in Book 814 of Maps, Page 17, Records of Maricopa County, Arizona Lots 1-98,148,149,169-178 and 258-292 inclusive of Sun City Festival Parcel M1, recorded in Book 943 of Maps, Page 49, Records of Maricopa County, Arizona, and Lots 1 through 93, inclusive of Sun City Festival, legal description is further described and depicted in Exhibit A attached hereto (the "Property") for the purpose of providing financing for 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 shall be bound by the terms, waivers and agreements set forth in this Agreement and bound by the Assessments (as defined hereafter) recorded against the Property; and

WHEREAS, the proposed public infrastructure purposes to be provided by the Assessment District shall consist of:

A. Acquisition, installation and/or construction 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, installation and construction 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 and collection of the assessment and, if issued, the costs of issuance and sale of the Assessment District bonds;

C. Capitalized interest on such assessments or Assessment District bonds, if any, for a period not to exceed the aggregate time for completion of all construction of and acquisition of the public infrastructure listed above, plus six months thereafter; and

D. A debt service reserve fund created for such assessments or Assessment District bonds.

Collectively, the construction and 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

NOW, THEREFORE, the Interested Parties 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 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, Scope of Work and Assessment.

(i) The Interested Parties have reviewed or have had the opportunity and right to review the boundaries of the Assessment District, 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 lots comprising the Property within the Assessment District on the basis of \$2,000 per lot. The Interested Parties agree that the Engineer's Estimate of the costs of the Work is \$1,174,122 provided, however only that portion of the Engineer's Estimate equal to \$2,000 times the total number of lots in the Assessment District shall be assessed to the lots in the Assessment District.

(ii) This Agreement shall be construed to be an express consent by the Interested Parties 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; (b) the District and the Assessment District may incur costs and expenses necessary to complete or acquire the Work; (c) 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 benefiting the Property in the proposed Assessment District, which was constructed, installed or performed prior to the execution hereof) and the costs of levying and collecting the assessment and, if the bonds are issued, the costs of 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 hereby agree to allow the formation of the Assessment District and to allow the Assessment District to 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 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 pursuant to § 48-590.

5. Approval of Proceedings. The Interested Parties, 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 and the levying of the Assessments against the Property.

6. Waiver. The Interested Parties, 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 or construction 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 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.

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 District with respect to the Work.

9. **Performance of the Work.** The District or the Assessment District may immediately upon collection of the Assessments or upon issuance of such Assessment District bonds, acquire, bid, construct and perform all or part of the Work.

10. **Acceptance of Assessment.** The Interested Parties agree to accept 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 provided, the Assessments on any one lot shall not exceed \$2,000; 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 consent to the recordation of the Assessments against the Property and agree upon such recording 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.

12. **Assessments to go to Bond.** Except as to any Interested Party that pays their Assessment in full prior to the return of the warrant, Assessments may or may not be paid in cash as determined by the District. With respect to Assessments not paid in cash, the Interested Parties request that a certified list of unpaid Assessments be filed after the return of the warrant and that Assessment District bonds amortizing the payment of the Assessments over not less than fifteen (15) years be issued and sold.

13. **Acceptance of Partial Assessment.** 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, so long as they own all or part of any lot comprising the Property.

14. **Waiver of Collateral Document Provisions.** The Interested Parties 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. **Payment of Maintenance Costs.** 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 improvements.

16. **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.

17. **Recording.** This Agreement may be recorded in the office of the County Recorder of Maricopa County, Arizona.

18. **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.

19. **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.

20. **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 supersedes all previous written or oral agreements or understandings regarding the subject matter of this Agreement.

21. **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 need 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 assessment lien, established by the district, encumbering the Property.

[SIGNATURE PAGES TO FOLLOW]

INTERESTED PARTIES:

By: Mary Ellen Loughran-DiRosario
Printed Name: MARY ELLEN LOUGHRAN-DIROSARIO

Date: 7-28-2010 ←

Lot: 13-44

By: John Leno DiRosario
Printed Name: JOHN LENO DI ROSARIO ←

Date: 7-28-2010

Lot: 13-44

STATE OF _____)
COUNTY OF _____) ss.

The foregoing instrument was acknowledged before me this _____ day of _____, 2010, by _____.

(Seal and Expiration Date)

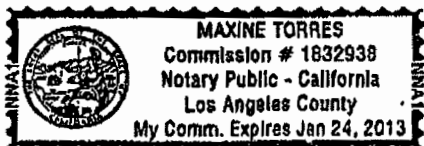
Notary Public

STATE OF California)
COUNTY OF Los Angeles) ss.

The foregoing instrument was acknowledged before me this 28th day of July, 2010, by Maxine Torres, Notary Public -
Mary Ellen Loughran DiRosario and John Leno DiRosario

(Seal and Expiration Date)

[Signature]
Notary Public



ACCEPTED:

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

By 

Its: Chairman

STATE OF ARIZONA)

) SS.

COUNTY OF MARICOPA)



The foregoing instrument was acknowledged before me this 16th day of February, 2010 by Jackie A. Meck the Chairman of Festival Ranch Community Facilities District (Town of Buckeye, Arizona).

(Seal and Expiration Date)

01-18-2014

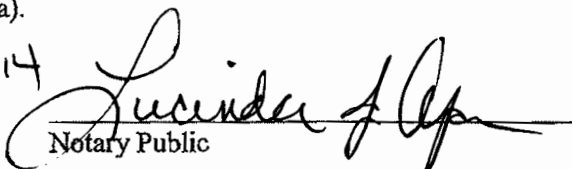

Notary Public

EXHIBIT A

LEGAL DESCRIPTION
and
MAP

(see attached)

July 23, 2010

LEGAL DESCRIPTION FOR
SUN CITY FESTIVAL
SPECIAL ASSESSMENT AREA No. 7

Parcel No. 1

Lots 1 through 57, inclusive, of Sun City Festival Parcel V1, recorded in Book 814 of Maps, Page 17, Records of Maricopa County, Arizona.

Parcel No. 2

Lots 1 through 98, inclusive, 148, 149, 169 through 178, inclusive, and 258 through 292, inclusive, of Sun City Festival Parcels M1 & R1, recorded in Book 943 of Maps, Page 49, Records of Maricopa County, Arizona.

Parcel No. 3

That part of the South Half of Section 13 and the North Half of Section 24, Township 4 North, Range 4 West, of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the G.L.O. Brass Cap marking the West Quarter Corner of said Section 24, from which the G.L.O. Brass Cap marking the Southwest Corner of said Section 24 bears South $00^{\circ}23'31''$ West, a distance of 2,640.13 feet;

Thence North $00^{\circ}22'48''$ East, along the West line Northwest Quarter of said Section 24, a distance of 1,256.00 feet;

Thence South $89^{\circ}36'38''$ East, departing said West line, a distance of 202.00 feet;

Thence North $00^{\circ}22'48''$ East, a distance of 132.00 feet;

Thence South $89^{\circ}36'38''$ East, a distance of 476.10 feet to the beginning of a tangent curve of 300.00 foot radius, concave Northwesterly;

Thence Northeasterly, along said curve, through a central angle of $32^{\circ}27'10''$, a distance of 169.93 feet;

Thence North $57^{\circ}56'12''$ East, a distance of 275.62 feet to the beginning of a tangent curve of 300.00 foot radius, concave Southeasterly;

Thence Northeasterly, along said curve, through a central angle of $06^{\circ}35'56''$, a distance of 34.55 feet;



Legal Description for
Sun City Festival
Special Assessment Arca No. 7
July 23, 2010

Thence North 25°27'52" West, a distance of 142.50 feet to the beginning of a tangent curve of 1,500.00 foot radius, concave Northeasterly;

Thence Northwesterly, along said curve, through a central angle of 04°55'57", a distance of 129.13 feet;

Thence North 20°31'55" West, a distance of 282.74 feet;

Thence North 69°28'05" East, a distance of 151.65 feet to the beginning of a tangent curve of 400.00 foot radius, concave Southeasterly;

Thence Northeasterly, along said curve, through a central angle of 20°54'38", a distance of 145.98 feet;

Thence South 89°37'17" East, a distance of 307.28 feet to the True Point of Beginning;

Thence North 00°22'43" East, a distance of 22.00 feet;
Thence North 45°22'43" East, a distance of 21.21 feet;
Thence North 00°22'43" East, a distance of 75.00 feet;
Thence North 26°11'11" West, a distance of 22.36 feet;
Thence North 89°37'17" West, a distance of 105.00 feet;

Thence North 00°22'43" East, a distance of 319.00 feet to a point on the North line of the Northwest Quarter of said Section 24;

Thence North 89°37'17" West, along said North line, a distance of 210.22 feet;

Thence North 20°32'23" West, departing said North line, a distance of 55.02 feet to a point on the Southerly right-of-way line for the Central Arizona Project Canal;

Thence North 69°27'37" East, along said Southerly right-of-way line, a distance of 1,596.23 feet to a point on the North South mid-section line of Section 13;

Thence North 69°27'38" East, along said Southerly right-of-way line, a distance of 104.88 feet;

Thence South 07°39'01" West, a distance of 245.00 feet;

Thence South 55°27'32" East, a distance of 22.42 feet to a point on a 522.00 foot radius non-tangent curve, whose center bears South 09°09'21" West;

Thence Northwesterly, along said curve, through a central angle of 02°11'44", a distance of 20.00 feet;

Thence South 14°26'19" West, a distance of 44.41 feet;



Legal Description for
Sun City Festival
Special Assessment Area No. 7
July 23, 2010

Thence South 00°24'03" West, a distance of 534.32 feet;
Thence North 87°48'12" West, a distance of 154.54 feet;
Thence North 25°05'34" West, a distance of 22.27 feet;
Thence North 89°00'44" West, a distance of 64.57 feet;
Thence North 80°19'53" West, a distance of 210.00 feet;
Thence South 09°40'07" West, a distance of 110.00 feet;
Thence North 80°19'53" West, a distance of 35.81 feet;
Thence South 09°40'07" West, a distance of 44.00 feet;
Thence South 35°19'53" East, a distance of 21.21 feet;

Thence South 09°40'07" West, a distance of 17.21 feet to the beginning of a tangent curve of 272.00 foot radius, concave Easterly;

Thence Southerly, along said curve, through a central angle of 22°11'35", a distance of 105.36 feet;

Thence South 12°31'28" East, a distance of 201.94 feet to a point on the Northerly Boundary for Sun City Festival - Parcels P1 & I1 recorded in Book 961 of Maps, Page 46, Maricopa County Records;

Thence along said Northerly Boundary the following courses:

Thence South 32°28'32" West, a distance of 21.21 feet;
Thence South 77°28'32" West, a distance of 190.40 feet;
Thence North 60°48'53" West, a distance of 22.40 feet;

Thence South 70°53'42" West, a distance of 44.00 feet to a point on a 278.00 foot radius non-tangent curve, whose center bears South 70°53'42" West;

Thence Southeasterly, along said curve, through a central angle of 09°37'27", a distance of 46.70 feet;

Thence South 09°28'51" East, a distance of 105.83 feet;

Thence South 80°31'09" West, departing said Northerly Boundary line, a distance of 115.00 feet;

Thence North 09°28'51" West, a distance of 80.00 feet;
Thence North 14°51'04" West, a distance of 72.78 feet;
Thence North 38°23'16" West, a distance of 69.36 feet;
Thence North 62°57'25" West, a distance of 69.36 feet;
Thence North 85°39'03" West, a distance of 73.75 feet;
Thence North 89°37'17" West, a distance of 160.00 feet;
Thence North 00°22'43" East, a distance of 115.00 feet;



Legal Description for
Sun City Festival
Special Assessment Area No. 7
July 23, 2010

Thence North 89°37'17" West, a distance of 64.65 feet;

Thence North 00°22'43" East, a distance of 22.00 feet to the True Point of Beginning.



Expires: 6/30/2013

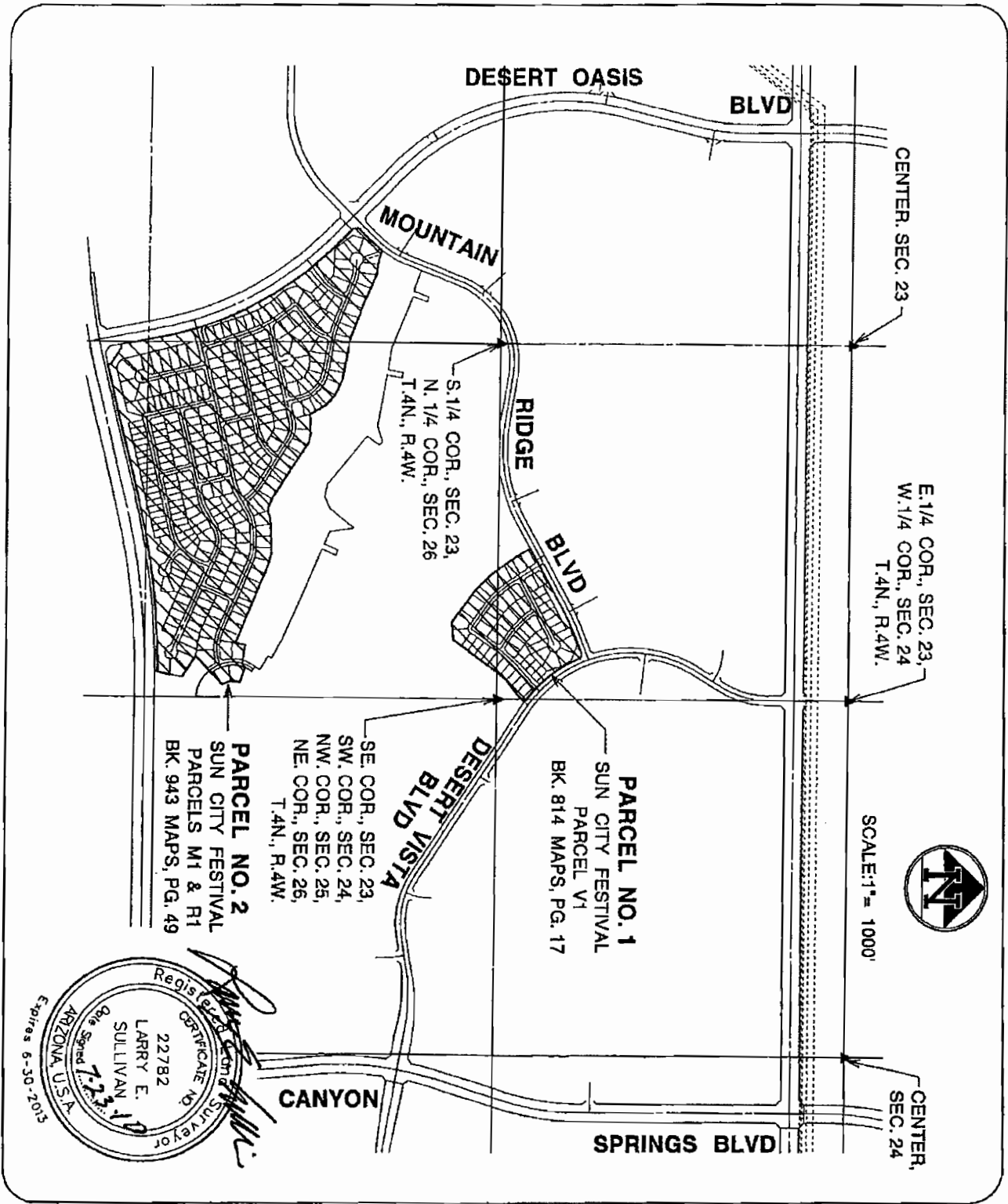


EXHIBIT N:\680001\LAND\VEHASDIS1.DGN	SUN CITY FESTIVAL SPECIAL ASSESSMENT AREA NO. 7	JOB NO 68000801
4550 NORTH 12TH STREET PHOENIX, ARIZONA 85014 TELEPHONE (602) 264-6831	COE & VAN LOO PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE	SHEET 1 OF 2

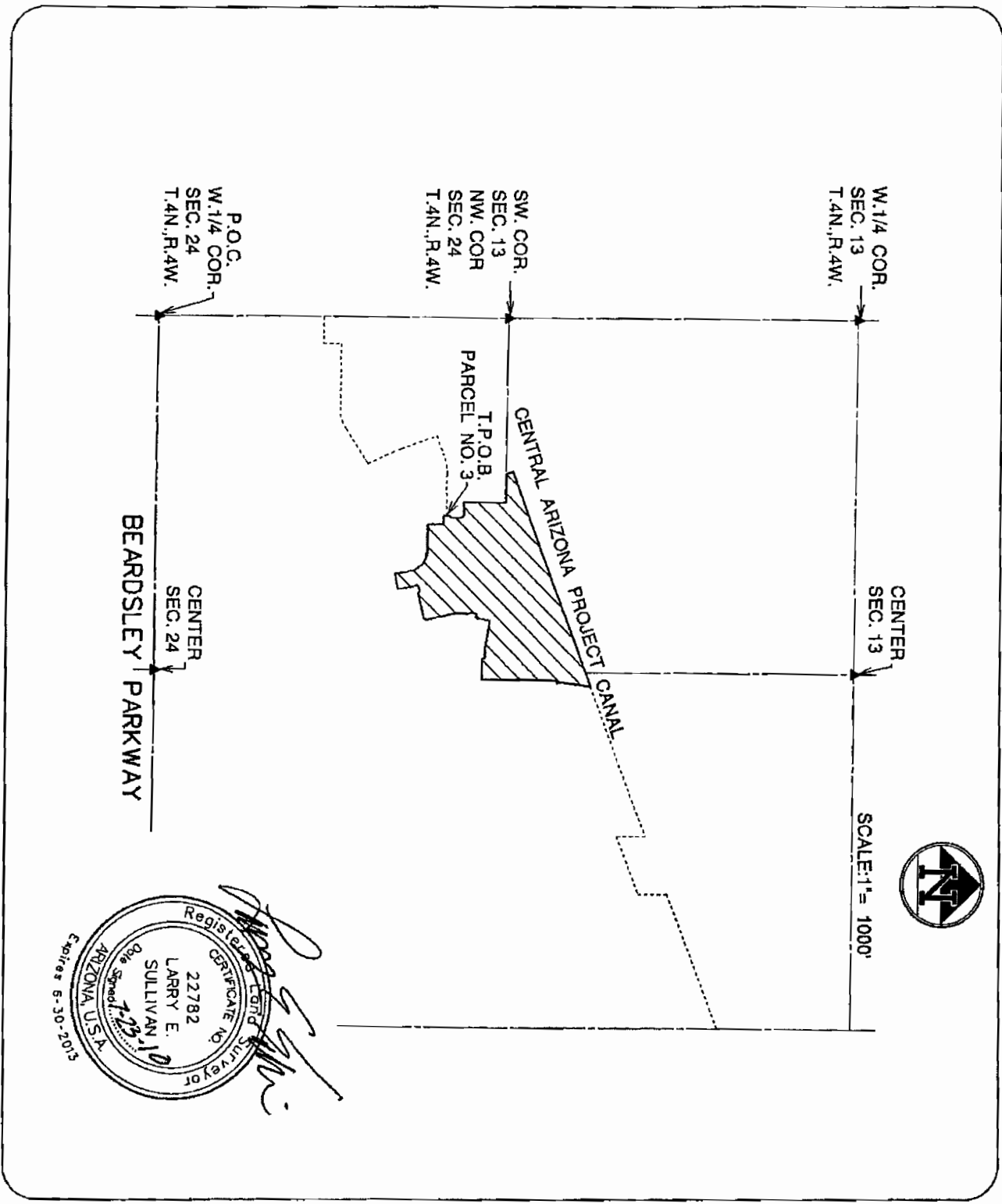


EXHIBIT N:\680001\LAND\EHASDIS7-1.DGN	SUN CITY FESTIVAL SPECIAL ASSESSMENT AREA NO. 7	JOB NO 68000801
4550 NORTH 12TH STREET PHOENIX, ARIZONA 85014 TELEPHONE (602) 264-6831	COE & VAN LOO PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE	SHEET 2 OF 2

EXHIBIT B

PUBLIC INFRASTRUCTURE

“Public Infrastructure” means, for purposes of this Agreement, the following:

DESCRIPTION OF PUBLIC INFRASTRUCTURE

Parcel	No. of Lots	Est. Street Improvements	Street Names	Linear Feet	Estimated Date of Completion
V1	57	\$357,836	268th Ave., Pontiac St., 267 th Lane, Yukon Dr.	2100	Completed in Oct 2007
L1	93	\$276,981	Vista North Dr., Tina Lane, 263 rd Court, 263 rd Dr., Cat Balue Dr., 265 th Dr.,	3942	March 2011
M1	145	\$539,305	271 st Lane, Behrend Dr., 271 st Ave., Tonto Lane, Sequoia Dr., 270 th Dr., Oraibi Dr., 270 th Lane	7685	December 2010
	<u>295</u>	<u>\$1,174,122</u>		<u>13,727</u>	

When recorded return to:
Mr. Scott W. Ruby
Gust Rosenfeld P.L.C.
201 E. Washington Street, Suite 800
Phoenix, Arizona 85004-2327

**FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
WAIVER AND DEVELOPMENT AGREEMENT
PERTAINING TO THE TO BE FORMED ASSESSMENT DISTRICT NO. 7**

This Festival Ranch Community Facilities District (Town of Buckeye, Arizona) Waiver and Development Agreement Pertaining to the proposed formation of Assessment District No. 7, is dated 12/4/10, 2010 (the "Agreement") by and among Festival Ranch Community Facilities District (Town of Buckeye, Arizona) (the "District"), and the undersigned owners of Lot number 044-44 of Sun City Festival Parcel VI, recorded in Book 814 of Maps, Page 17, Records of Maricopa County, Arizona and located within the District (or holders of options or contracts to purchase land within the District) (collectively referred to as "Interested Parties").

WHEREAS, the Town of Buckeye, Arizona, an Arizona municipal corporation (the "Town") 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"), Pulte intends to request the District to form assessment district number 7 (the "Assessment District") comprised of Lots 1 through 57, inclusive of Sun City Festival Parcel V1, recorded in Book 814 of Maps, Page 17, Records of Maricopa County, Arizona Lots 1-98,148,149,169-178 and 258-292 inclusive of Sun City Festival Parcel M1, recorded in Book 943 of Maps, Page 49, Records of Maricopa County, Arizona, and Lots 1 through 93, inclusive of Sun City Festival, legal description is further described and depicted in Exhibit A attached hereto (the "Property") for the purpose of providing financing for 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 shall be bound by the terms, waivers and agreements set forth in this Agreement and bound by the Assessments (as defined hereafter) recorded against the Property; and

WHEREAS, the proposed public infrastructure purposes to be provided by the Assessment District shall consist of:

A. Acquisition, installation and/or construction 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, installation and construction 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 and collection of the assessment and, if issued, the costs of issuance and sale of the Assessment District bonds;

C. Capitalized interest on such assessments or Assessment District bonds, if any, for a period not to exceed the aggregate time for completion of all construction of and acquisition of the public infrastructure listed above, plus six months thereafter; and

D. A debt service reserve fund created for such assessments or Assessment District bonds.

Collectively, the construction and 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

NOW, THEREFORE, the Interested Parties 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 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, Scope of Work and Assessment

(i) The Interested Parties have reviewed or have had the opportunity and right to review the boundaries of the Assessment District, 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 lots comprising the Property within the Assessment District on the basis of \$2,000 per lot. The Interested Parties agree that the Engineer's Estimate of the costs of the Work is \$1,174,122 provided, however only that portion of the Engineer's Estimate equal to \$2,000 times the total number of lots in the Assessment District shall be assessed to the lots in the Assessment District.

(ii) This Agreement shall be construed to be an express consent by the Interested Parties 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; (b) the District and the Assessment District may incur costs and expenses necessary to complete or acquire the Work; (c) 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 benefiting the Property in the proposed Assessment District, which was constructed, installed or performed prior to the execution hereof) and the costs of levying and collecting the assessment and, if the bonds are issued, the costs of 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 hereby agree to allow the formation of the Assessment District and to allow the Assessment District to 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 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 pursuant to § 48-590.

5. Approval of Proceedings. The Interested Parties, 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 and the levying of the Assessments against the Property.

6. Waiver. The Interested Parties, 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 or construction 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 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.

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 District with respect to the Work.

9. **Performance of the Work.** The District or the Assessment District may immediately upon collection of the Assessments or upon issuance of such Assessment District bonds, acquire, bid, construct and perform all or part of the Work.

10. **Acceptance of Assessment.** The Interested Parties agree to accept 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 provided, the Assessments on any one lot shall not exceed \$2,000; 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 consent to the recordation of the Assessments against the Property and agree upon such recording 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.

12. **Assessments to go to Bond.** Except as to any Interested Party that pays their Assessment in full prior to the return of the warrant, Assessments may or may not be paid in cash as determined by the District. With respect to Assessments not paid in cash, the Interested Parties request that a certified list of unpaid Assessments be filed after the return of the warrant and that Assessment District bonds amortizing the payment of the Assessments over not less than fifteen (15) years be issued and sold.

13. **Acceptance of Partial Assessment.** 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, so long as they own all or part of any lot comprising the Property.

14. **Waiver of Collateral Document Provisions.** The Interested Parties 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. **Payment of Maintenance Costs.** 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 improvements.

16. **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.

17. **Recording.** This Agreement may be recorded in the office of the County Recorder of Maricopa County, Arizona.

18. **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.

19. **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.

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[SIGNATURE PAGES TO FOLLOW]

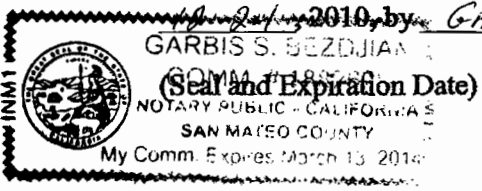
INTERESTED PARTIES:

By: *William S. Ruben*
Printed Name: William S. Ruben
Date: 12/24/10
Lot: 044-44

By: *Elaine S. Ruben*
Printed Name: Elaine S. Ruben
Date: 12/24/10
Lot: 044-44

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN MATEO)

The foregoing instrument was acknowledged before me this 12-24-2010 day of
December, 2010, by GARBIS S. BEZDJIAN Khosro S. Bezjian



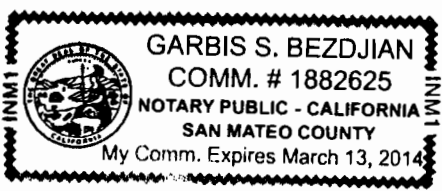
Khosro S. Bezjian
Notary Public

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN MATEO)

The foregoing instrument was acknowledged before me this 12-24-2010 day of
12-24, 2010, by GARBIS S. BEZDJIAN Khosro S. Bezjian

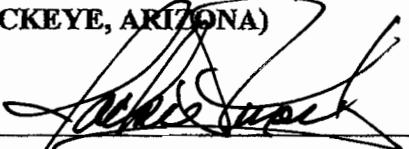
(Seal and Expiration Date)

Khosro S. Bezjian
Notary Public

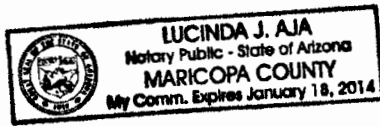


ACCEPTED:

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

By 
Its: Chairman

STATE OF ARIZONA)
) SS.
COUNTY OF MARICOPA)



The foregoing instrument was acknowledged before me this 16th day of February, 2010 by Jack A. Meek the Chairman of Festival Ranch Community Facilities District (Town of Buckeye, Arizona).

(Seal and Expiration Date) 01-18-2014

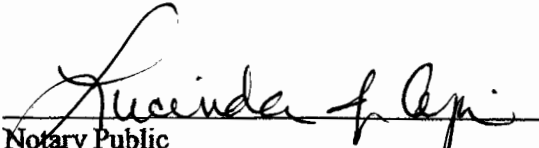

Notary Public

EXHIBIT A

**LEGAL DESCRIPTION
and
MAP**

(see attached)

July 23, 2010

LEGAL DESCRIPTION FOR
SUN CITY FESTIVAL
SPECIAL ASSESSMENT AREA No. 7

Parcel No. 1

Lots 1 through 57, inclusive, of Sun City Festival Parcel V1, recorded in Book 814 of Maps, Page 17, Records of Maricopa County, Arizona.

Parcel No. 2

Lots 1 through 98, inclusive, 148, 149, 169 through 178, inclusive, and 258 through 292, inclusive, of Sun City Festival Parcels M1 & R1, recorded in Book 943 of Maps, Page 49, Records of Maricopa County, Arizona.

Parcel No. 3

That part of the South Half of Section 13 and the North Half of Section 24, Township 4 North, Range 4 West, of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the G.L.O. Brass Cap marking the West Quarter Corner of said Section 24, from which the G.L.O. Brass Cap marking the Southwest Corner of said Section 24 bears South $00^{\circ}23'31''$ West, a distance of 2,640.13 feet;

Thence North $00^{\circ}22'48''$ East, along the West line Northwest Quarter of said Section 24, a distance of 1,256.00 feet;

Thence South $89^{\circ}36'38''$ East, departing said West line, a distance of 202.00 feet;

Thence North $00^{\circ}22'48''$ East, a distance of 132.00 feet;

Thence South $89^{\circ}36'38''$ East, a distance of 476.10 feet to the beginning of a tangent curve of 300.00 foot radius, concave Northwesterly;

Thence Northeasterly, along said curve, through a central angle of $32^{\circ}27'10''$, a distance of 169.93 feet;

Thence North $57^{\circ}56'12''$ East, a distance of 275.62 feet to the beginning of a tangent curve of 300.00 foot radius, concave Southeasterly;

Thence Northeasterly, along said curve, through a central angle of $06^{\circ}35'56''$, a distance of 34.55 feet;



Legal Description for
Sun City Festival
Special Assessment Area No. 7
July 23, 2010

Thence North 25°27'52" West, a distance of 142.50 feet to the beginning of a tangent curve of 1,500.00 foot radius, concave Northeasterly;

Thence Northwesterly, along said curve, through a central angle of 04°55'57", a distance of 129.13 feet;

Thence North 20°31'55" West, a distance of 282.74 feet;

Thence North 69°28'05" East, a distance of 151.65 feet to the beginning of a tangent curve of 400.00 foot radius, concave Southeasterly;

Thence Northeasterly, along said curve, through a central angle of 20°54'38", a distance of 145.98 feet;

Thence South 89°37'17" East, a distance of 307.28 feet to the True Point of Beginning;

Thence North 00°22'43" East, a distance of 22.00 feet;
Thence North 45°22'43" East, a distance of 21.21 feet;
Thence North 00°22'43" East, a distance of 75.00 feet;
Thence North 26°11'11" West, a distance of 22.36 feet;
Thence North 89°37'17" West, a distance of 105.00 feet;

Thence North 00°22'43" East, a distance of 319.00 feet to a point on the North line of the Northwest Quarter of said Section 24;

Thence North 89°37'17" West, along said North line, a distance of 210.22 feet;

Thence North 20°32'23" West, departing said North line, a distance of 55.02 feet to a point on the Southerly right-of-way line for the Central Arizona Project Canal;

Thence North 69°27'37" East, along said Southerly right-of-way line, a distance of 1,596.23 feet to a point on the North South mid-section line of Section 13;

Thence North 69°27'38" East, along said Southerly right-of-way line, a distance of 104.88 feet;

Thence South 07°39'01" West, a distance of 245.00 feet;

Thence South 55°27'32" East, a distance of 22.42 feet to a point on a 522.00 foot radius non-tangent curve, whose center bears South 09°09'21" West;

Thence Northwesterly, along said curve, through a central angle of 02°11'44", a distance of 20.00 feet;

Thence South 14°26'19" West, a distance of 44.41 feet;



Legal Description for
Sun City Festival
Special Assessment Area No. 7
July 23, 2010

Thence South $00^{\circ}24'03''$ West, a distance of 534.32 feet;
Thence North $87^{\circ}48'12''$ West, a distance of 154.54 feet;
Thence North $25^{\circ}05'34''$ West, a distance of 22.27 feet;
Thence North $89^{\circ}00'44''$ West, a distance of 64.57 feet;
Thence North $80^{\circ}19'53''$ West, a distance of 210.00 feet;
Thence South $09^{\circ}40'07''$ West, a distance of 110.00 feet;
Thence North $80^{\circ}19'53''$ West, a distance of 35.81 feet;
Thence South $09^{\circ}40'07''$ West, a distance of 44.00 feet;
Thence South $35^{\circ}19'53''$ East, a distance of 21.21 feet;

Thence South $09^{\circ}40'07''$ West, a distance of 17.21 feet to the beginning of a tangent curve of 272.00 foot radius, concave Easterly;

Thence Southerly, along said curve, through a central angle of $22^{\circ}11'35''$, a distance of 105.36 feet;

Thence South $12^{\circ}31'28''$ East, a distance of 201.94 feet to a point on the Northerly Boundary for Sun City Festival - Parcels P1 & I1 recorded in Book 961 of Maps, Page 46, Maricopa County Records;

Thence along said Northerly Boundary the following courses:

Thence South $32^{\circ}28'32''$ West, a distance of 21.21 feet;
Thence South $77^{\circ}28'32''$ West, a distance of 190.40 feet;
Thence North $60^{\circ}48'53''$ West, a distance of 22.40 feet;

Thence South $70^{\circ}53'42''$ West, a distance of 44.00 feet to a point on a 278.00 foot radius non-tangent curve, whose center bears South $70^{\circ}53'42''$ West;

Thence Southeasterly, along said curve, through a central angle of $09^{\circ}37'27''$, a distance of 46.70 feet;

Thence South $09^{\circ}28'51''$ East, a distance of 105.83 feet;

Thence South $80^{\circ}31'09''$ West, departing said Northerly Boundary line, a distance of 115.00 feet;

Thence North $09^{\circ}28'51''$ West, a distance of 80.00 feet;
Thence North $14^{\circ}51'04''$ West, a distance of 72.78 feet;
Thence North $38^{\circ}23'16''$ West, a distance of 69.36 feet;
Thence North $62^{\circ}57'25''$ West, a distance of 69.36 feet;
Thence North $85^{\circ}39'03''$ West, a distance of 73.75 feet;
Thence North $89^{\circ}37'17''$ West, a distance of 160.00 feet;
Thence North $00^{\circ}22'43''$ East, a distance of 115.00 feet;



Legal Description for
Sun City Festival
Special Assessment Area No. 7
July 23, 2010

Thence North 89°37'17" West, a distance of 64.65 feet;

Thence North 00°22'43" East, a distance of 22.00 feet to the True Point of Beginning.



Expires: 6/30/2013



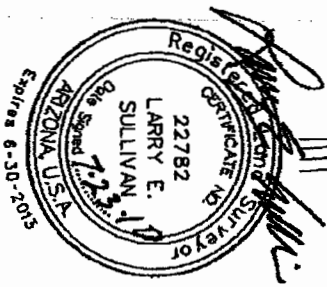
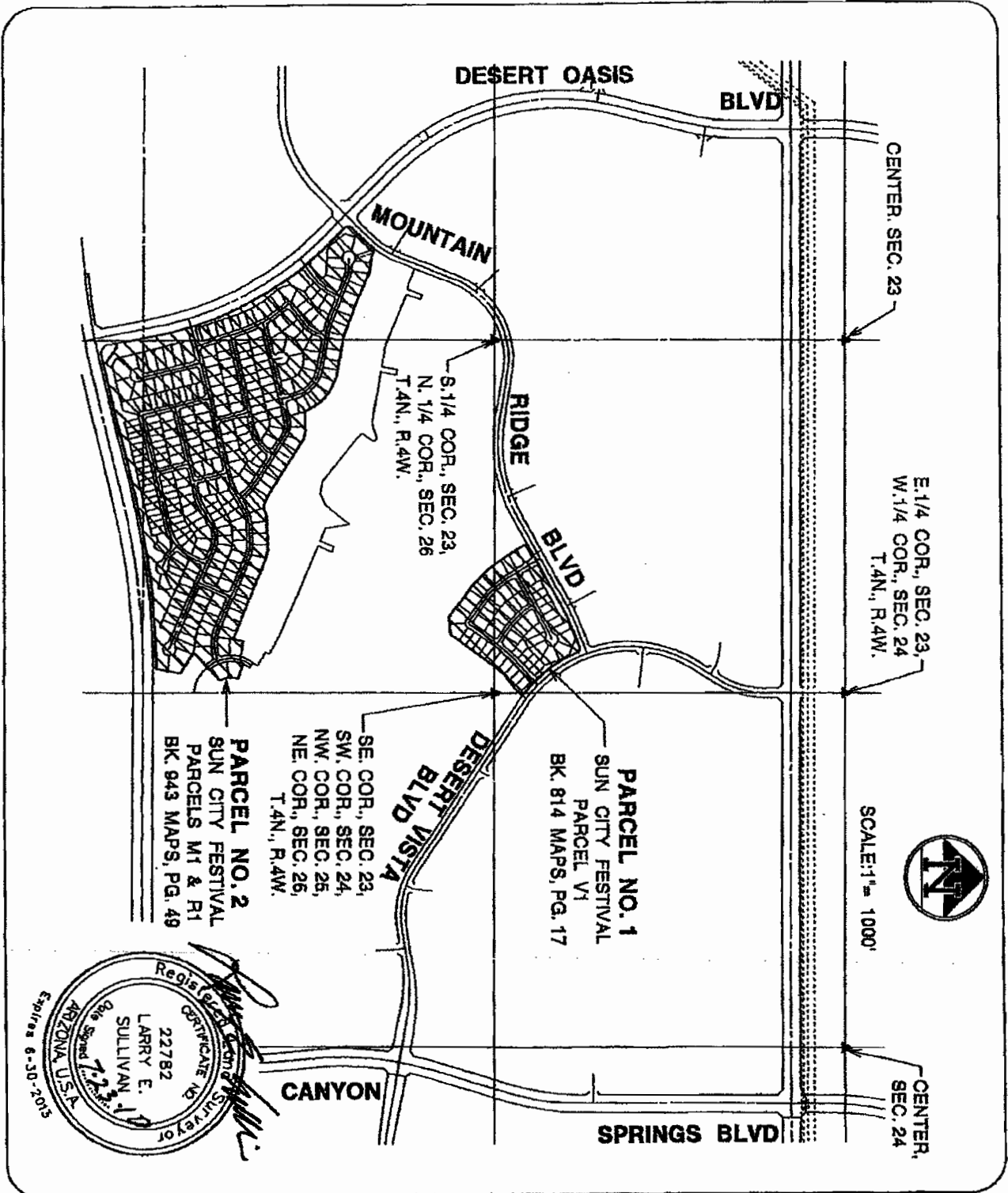
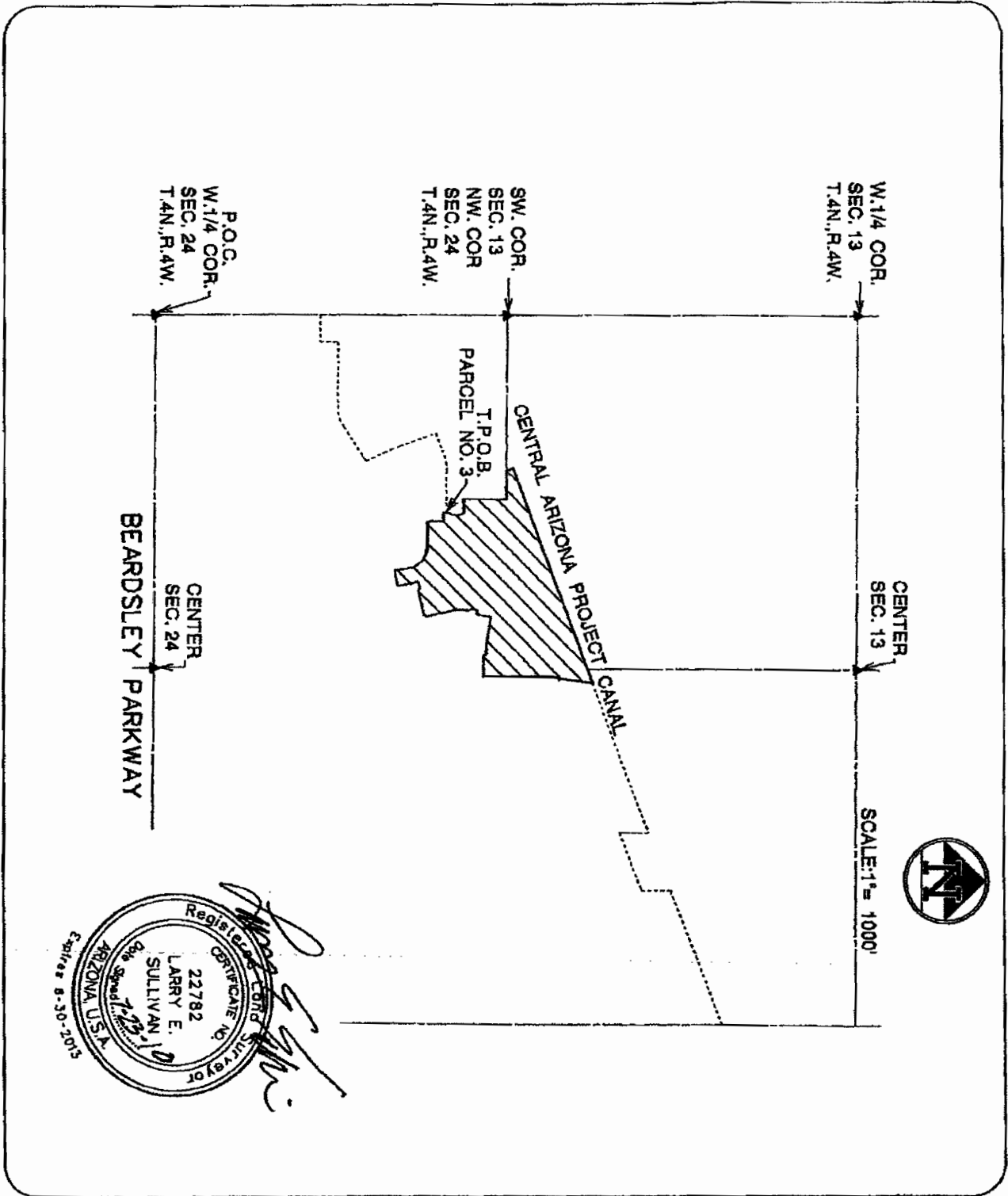


EXHIBIT N:\680001\LAND\HASDIS1.DGN	SUN CITY FESTIVAL SPECIAL ASSESSMENT AREA NO. 7	JOB NO 68000801
4550 NORTH 12TH STREET PHOENIX, ARIZONA 85014 TELEPHONE (602) 264-6831	COE & VAN LOO PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE	SHEET 1 OF 2



Registered Land Surveyor
 22782
 LARRY E. SULLIVAN
 Arizona U.S.T.
 Expires 8-30-2015

EXHIBIT N:\680001\LAND\EHASD157-1.DGN	SUN CITY FESTIVAL SPECIAL ASSESSMENT AREA NO. 7	JOB NO 68000801
4550 NORTH 12TH STREET PHOENIX, ARIZONA 85014 TELEPHONE (602) 264-6831	COE & VAN LOO PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE	SHEET 2 OF 2

EXHIBIT B

PUBLIC INFRASTRUCTURE

"Public Infrastructure" means, for purposes of this Agreement, the following:

DESCRIPTION OF PUBLIC INFRASTRUCTURE

Parcel	No. of Lots	Est. Street Improvements	Street Names	Linear Feet	Estimated Date of Completion
V1	57	\$357,836	268th Ave., Pontiac St., 267 th Lane, Yukon Dr.	2100	Completed in Oct 2007
L1	93	\$276,981	Vista North Dr., Tina Lane, 263 rd Court, 263 rd Dr., Cat Balue Dr., 265 th Dr.,	3942	March 2011
M1	145	\$539,305	271 st Lane, Behrend Dr., 271 st Ave., Tonto Lane, Sequoia Dr., 270 th Dr., Oraibi Dr., 270 th Lane	7685	December 2010
	<u>295</u>	<u>\$1,174,122</u>		<u>13,727</u>	

When recorded return to:
Mr. Scott W. Ruby
Gust Rosenfeld P.L.C.
201 E. Washington Street, Suite 800
Phoenix, Arizona 85004-2327

**FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
WAIVER AND DEVELOPMENT AGREEMENT
PERTAINING TO THE TO BE FORMED ASSESSMENT DISTRICT NO. 7**

This Festival Ranch Community Facilities District (Town of Buckeye, Arizona) Waiver and Development Agreement Pertaining to the proposed formation of Assessment District No. 7, is dated 7/24/10, 2010 (the "Agreement") by and among Festival Ranch Community Facilities District (Town of Buckeye, Arizona) (the "District"), and the undersigned owners of Lot number 04344 of Sun City Festival Parcel V1, recorded in Book 814 of Maps, Page 17, Records of Maricopa County, Arizona and located within the District (or holders of options or contracts to purchase land within the District) (collectively referred to as "Interested Parties").

WHEREAS, the Town of Buckeye, Arizona, an Arizona municipal corporation (the "Town") 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"), Pulte intends to request the District to form assessment district number 7 (the "Assessment District") comprised of Lots 1 through 57, inclusive of Sun City Festival Parcel V1, recorded in Book 814 of Maps, Page 17, Records of Maricopa County, Arizona Lots 1-98,148,149,169-178 and 258-292 inclusive of Sun City Festival Parcel M1, recorded in Book 943 of Maps, Page 49, Records of Maricopa County, Arizona, and Lots 1 through 93, inclusive of Sun City Festival, legal description is further described and depicted in Exhibit A attached hereto (the "Property") for the purpose of providing financing for 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 shall be bound by the terms, waivers and agreements set forth in this Agreement and bound by the Assessments (as defined hereafter) recorded against the Property; and

WHEREAS, the proposed public infrastructure purposes to be provided by the Assessment District shall consist of:

A. Acquisition, installation and/or construction 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, installation and construction 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 and collection of the assessment and, if issued, the costs of issuance and sale of the Assessment District bonds;

C. Capitalized interest on such assessments or Assessment District bonds, if any, for a period not to exceed the aggregate time for completion of all construction of and acquisition of the public infrastructure listed above, plus six months thereafter; and

D. A debt service reserve fund created for such assessments or Assessment District bonds.

Collectively, the construction and 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

NOW, THEREFORE, the Interested Parties 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 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, Scope of Work and Assessment.

(i) The Interested Parties have reviewed or have had the opportunity and right to review the boundaries of the Assessment District, 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 lots comprising the Property within the Assessment District on the basis of \$2,000 per lot. The Interested Parties agree that the Engineer's Estimate of the costs of the Work is \$1,174,122 provided, however only that portion of the Engineer's Estimate equal to \$2,000 times the total number of lots in the Assessment District shall be assessed to the lots in the Assessment District.

(ii) This Agreement shall be construed to be an express consent by the Interested Parties 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; (b) the District and the Assessment District may incur costs and expenses necessary to complete or acquire the Work; (c) 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 benefiting the Property in the proposed Assessment District, which was constructed, installed or performed prior to the execution hereof) and the costs of levying and collecting the assessment and, if the bonds are issued, the costs of 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 hereby agree to allow the formation of the Assessment District and to allow the Assessment District to 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 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 pursuant to § 48-590.

5. Approval of Proceedings. The Interested Parties, 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 and the levying of the Assessments against the Property.

6. Waiver. The Interested Parties, 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 or construction 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 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.

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 District with respect to the Work.

9. **Performance of the Work.** The District or the Assessment District may immediately upon collection of the Assessments or upon issuance of such Assessment District bonds, acquire, bid, construct and perform all or part of the Work.

10. **Acceptance of Assessment.** The Interested Parties agree to accept 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 provided, the Assessments on any one lot shall not exceed \$2,000; 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 consent to the recordation of the Assessments against the Property and agree upon such recording 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.

12. **Assessments to go to Bond.** Except as to any Interested Party that pays their Assessment in full prior to the return of the warrant, Assessments may or may not be paid in cash as determined by the District. With respect to Assessments not paid in cash, the Interested Parties request that a certified list of unpaid Assessments be filed after the return of the warrant and that Assessment District bonds amortizing the payment of the Assessments over not less than fifteen (15) years be issued and sold.

13. **Acceptance of Partial Assessment.** 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, so long as they own all or part of any lot comprising the Property.

14. **Waiver of Collateral Document Provisions.** The Interested Parties 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. **Payment of Maintenance Costs.** 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 improvements.

16. **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.

17. **Recording.** This Agreement may be recorded in the office of the County Recorder of Maricopa County, Arizona.

18. **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.

19. **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.

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21. **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 need 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 assessment lien, established by the district, encumbering the Property.

[SIGNATURE PAGES TO FOLLOW]

INTERESTED PARTIES:

By: Kirk Olesen

Printed Name: KIRK OLESEN

Date: 7/24/2010

Lot: 043-44

By: Barbara Olesen

Printed Name: Barbara Olesen

Date: 7/24/2010

Lot: 043-44

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2010, by _____.

(Seal and Expiration Date)

See attached
Notary Public

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2010, by _____.

(Seal and Expiration Date)

Notary Public

ACKNOWLEDGMENT

State of California
County of Del Norte

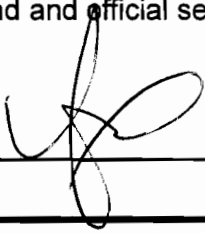
On July 27, 2010 before me, L. Freeland, Notary Public
(insert name and title of the officer)

personally appeared Kirk Olesen and Barbara Olesen,
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.

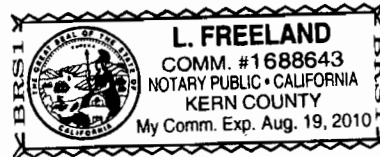
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____



(Seal)



ACCEPTED:

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

By _____

Jackie Amedek

Its Chairman

STATE OF ARIZONA)
) SS.
COUNTY OF MARICOPA)



LUCINDA J. AJA
Notary Public - State of Arizona
MARICOPA COUNTY
My Comm. Expires January 18, 2014

The foregoing instrument was acknowledged before me this 16th day of February, 2010 by Jackie Amedek the Chairman of Festival Ranch Community Facilities District (Town of Buckeye, Arizona).

(Seal and Expiration Date)

01-18-2014

Lucinda J. Aja

Notary Public

EXHIBIT A

LEGAL DESCRIPTION
and
MAP

(see attached)

July 23, 2010

LEGAL DESCRIPTION FOR
SUN CITY FESTIVAL
SPECIAL ASSESSMENT AREA No. 7

Parcel No. 1

Lots 1 through 57, inclusive, of Sun City Festival Parcel V1, recorded in Book 814 of Maps, Page 17, Records of Maricopa County, Arizona.

Parcel No. 2

Lots 1 through 98, inclusive, 148, 149, 169 through 178, inclusive, and 258 through 292, inclusive, of Sun City Festival Parcels M1 & R1, recorded in Book 943 of Maps, Page 49, Records of Maricopa County, Arizona.

Parcel No. 3

That part of the South Half of Section 13 and the North Half of Section 24, Township 4 North, Range 4 West, of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the G.L.O. Brass Cap marking the West Quarter Corner of said Section 24, from which the G.L.O. Brass Cap marking the Southwest Corner of said Section 24 bears South $00^{\circ}23'31''$ West, a distance of 2,640.13 feet;

Thence North $00^{\circ}22'48''$ East, along the West line Northwest Quarter of said Section 24, a distance of 1,256.00 feet;

Thence South $89^{\circ}36'38''$ East, departing said West line, a distance of 202.00 feet;

Thence North $00^{\circ}22'48''$ East, a distance of 132.00 feet;

Thence South $89^{\circ}36'38''$ East, a distance of 476.10 feet to the beginning of a tangent curve of 300.00 foot radius, concave Northwesterly;

Thence Northeasterly, along said curve, through a central angle of $32^{\circ}27'10''$, a distance of 169.93 feet;

Thence North $57^{\circ}56'12''$ East, a distance of 275.62 feet to the beginning of a tangent curve of 300.00 foot radius, concave Southeasterly;

Thence Northeasterly, along said curve, through a central angle of $06^{\circ}35'56''$, a distance of 34.55 feet;



Legal Description for
Sun City Festival
Special Assessment Area No. 7
July 23, 2010

Thence North $25^{\circ}27'52''$ West, a distance of 142.50 feet to the beginning of a tangent curve of 1,500.00 foot radius, concave Northeasterly;

Thence Northwesterly, along said curve, through a central angle of $04^{\circ}55'57''$, a distance of 129.13 feet;

Thence North $20^{\circ}31'55''$ West, a distance of 282.74 feet;

Thence North $69^{\circ}28'05''$ East, a distance of 151.65 feet to the beginning of a tangent curve of 400.00 foot radius, concave Southeasterly;

Thence Northeasterly, along said curve, through a central angle of $20^{\circ}54'38''$, a distance of 145.98 feet;

Thence South $89^{\circ}37'17''$ East, a distance of 307.28 feet to the True Point of Beginning;

Thence North $00^{\circ}22'43''$ East, a distance of 22.00 feet;
Thence North $45^{\circ}22'43''$ East, a distance of 21.21 feet;
Thence North $00^{\circ}22'43''$ East, a distance of 75.00 feet;
Thence North $26^{\circ}11'11''$ West, a distance of 22.36 feet;
Thence North $89^{\circ}37'17''$ West, a distance of 105.00 feet;

Thence North $00^{\circ}22'43''$ East, a distance of 319.00 feet to a point on the North line of the Northwest Quarter of said Section 24;

Thence North $89^{\circ}37'17''$ West, along said North line, a distance of 210.22 feet;

Thence North $20^{\circ}32'23''$ West, departing said North line, a distance of 55.02 feet to a point on the Southerly right-of-way line for the Central Arizona Project Canal;

Thence North $69^{\circ}27'37''$ East, along said Southerly right-of-way line, a distance of 1,596.23 feet to a point on the North South mid-section line of Section 13;

Thence North $69^{\circ}27'38''$ East, along said Southerly right-of-way line, a distance of 104.88 feet;

Thence South $07^{\circ}39'01''$ West, a distance of 245.00 feet;

Thence South $55^{\circ}27'32''$ East, a distance of 22.42 feet to a point on a 522.00 foot radius non-tangent curve, whose center bears South $09^{\circ}09'21''$ West;

Thence Northwesterly, along said curve, through a central angle of $02^{\circ}11'44''$, a distance of 20.00 feet;

Thence South $14^{\circ}26'19''$ West, a distance of 44.41 feet;



Legal Description for
Sun City Festival
Special Assessment Area No. 7
July 23, 2010

Thence South 00°24'03" West, a distance of 534.32 feet;
Thence North 87°48'12" West, a distance of 154.54 feet;
Thence North 25°05'34" West, a distance of 22.27 feet;
Thence North 89°00'44" West, a distance of 64.57 feet;
Thence North 80°19'53" West, a distance of 210.00 feet;
Thence South 09°40'07" West, a distance of 110.00 feet;
Thence North 80°19'53" West, a distance of 35.81 feet;
Thence South 09°40'07" West, a distance of 44.00 feet;
Thence South 35°19'53" East, a distance of 21.21 feet;

Thence South 09°40'07" West, a distance of 17.21 feet to the beginning of a tangent curve of 272.00 foot radius, concave Easterly;

Thence Southerly, along said curve, through a central angle of 22°11'35", a distance of 105.36 feet;

Thence South 12°31'28" East, a distance of 201.94 feet to a point on the Northerly Boundary for Sun City Festival - Parcels P1 & I1 recorded in Book 961 of Maps, Page 46, Maricopa County Records;

Thence along said Northerly Boundary the following courses:

Thence South 32°28'32" West, a distance of 21.21 feet;
Thence South 77°28'32" West, a distance of 190.40 feet;
Thence North 60°48'53" West, a distance of 22.40 feet;

Thence South 70°53'42" West, a distance of 44.00 feet to a point on a 278.00 foot radius non-tangent curve, whose center bears South 70°53'42" West;

Thence Southeasterly, along said curve, through a central angle of 09°37'27", a distance of 46.70 feet;

Thence South 09°28'51" East, a distance of 105.83 feet;

Thence South 80°31'09" West, departing said Northerly Boundary line, a distance of 115.00 feet;

Thence North 09°28'51" West, a distance of 80.00 feet;
Thence North 14°51'04" West, a distance of 72.78 feet;
Thence North 38°23'16" West, a distance of 69.36 feet;
Thence North 62°57'25" West, a distance of 69.36 feet;
Thence North 85°39'03" West, a distance of 73.75 feet;
Thence North 89°37'17" West, a distance of 160.00 feet;
Thence North 00°22'43" East, a distance of 115.00 feet;



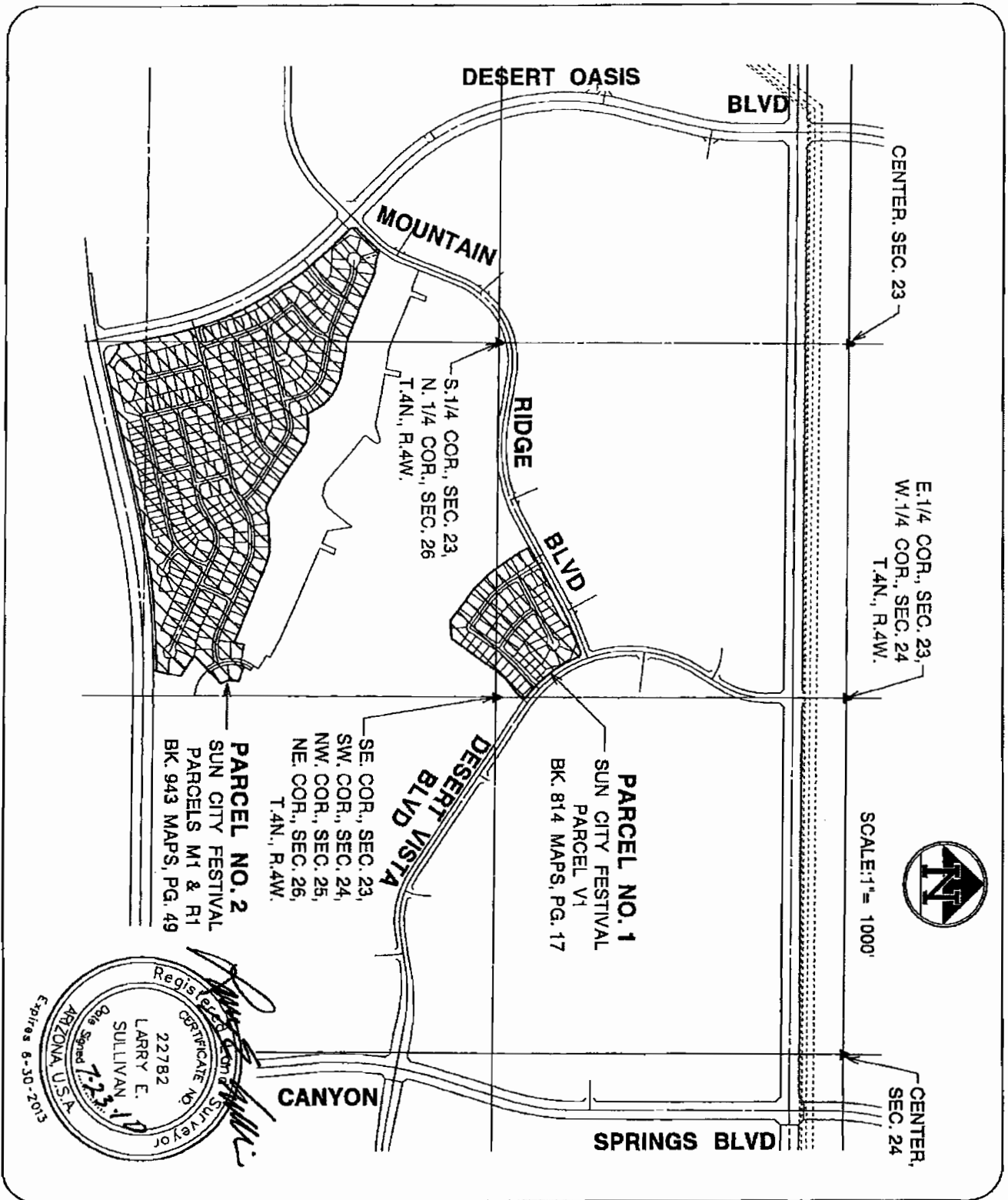
Legal Description for
Sun City Festival
Special Assessment Area No. 7
July 23, 2010

Thence North 89°37'17" West, a distance of 64.65 feet;

Thence North 00°22'43" East, a distance of 22.00 feet to the True Point of Beginning.



Expires: 6/30/2013



Registered Professional Surveyor
 Certificate No. 22782
 Larry E. Sullivan
 Date Signed 7/23/10
 Arizona, U.S.A.
 Expires 6-30-2013

EXHIBIT
 N:\680001\LAND\EHASDIS1.DGN
 4550 NORTH 12TH STREET
 PHOENIX, ARIZONA 85014
 TELEPHONE (602) 264-6831

**SUN CITY FESTIVAL
 SPECIAL ASSESSMENT AREA NO. 7**
COE & VAN LOO
 PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE

JOB NO
 68000801
 SHEET
 1 OF 2

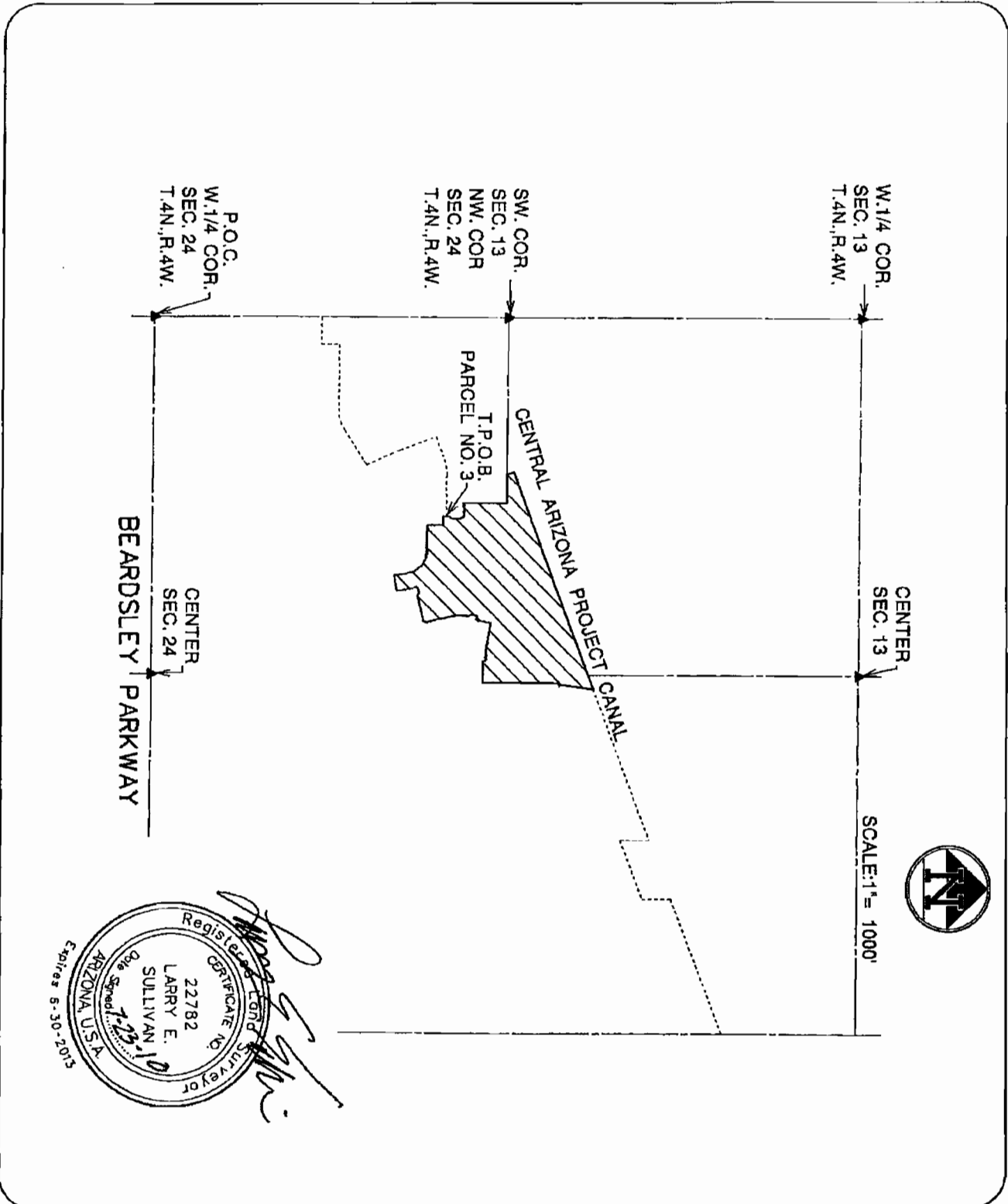


EXHIBIT
 N:\680001\LAND\EHASDIS7-1.DGN
 4550 NORTH 12TH STREET
 PHOENIX, ARIZONA 85014
 TELEPHONE (602) 264-6831

**SUN CITY FESTIVAL
 SPECIAL ASSESSMENT AREA NO. 7**

COE & VAN LOO
 PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE

JOB NO
 68000801

SHEET
 2 OF 2

EXHIBIT B

PUBLIC INFRASTRUCTURE

“Public Infrastructure” means, for purposes of this Agreement, the following:

DESCRIPTION OF PUBLIC INFRASTRUCTURE

Parcel	No. of Lots	Est. Street Improvements	Street Names	Linear Feet	Estimated Date of Completion
V1	57	\$357,836	268th Ave., Pontiac St., 267 th Lane, Yukon Dr.	2100	Completed in Oct 2007
L1	93	\$276,981	Vista North Dr., Tina Lane, 263 rd Court, 263 rd Dr., Cat Balue Dr., 265 th Dr.,	3942	March 2011
M1	145	\$539,305	271 st Lane, Behrend Dr., 271 st Ave., Tonto Lane, Sequoia Dr., 270 th Dr., Oraibi Dr., 270 th Lane	7685	December 2010
	<u>295</u>	<u>\$1,174,122</u>		<u>13,727</u>	

When recorded return to:
Mr. Scott W. Ruby
Gust Rosenfeld P.L.C.
201 E. Washington Street, Suite 800
Phoenix, Arizona 85004-2327

**FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
WAIVER AND DEVELOPMENT AGREEMENT
PERTAINING TO THE TO BE FORMED ASSESSMENT DISTRICT NO. 7**

This Festival Ranch Community Facilities District (Town of Buckeye, Arizona) Waiver and Development Agreement Pertaining to the proposed formation of Assessment District No. 7, is dated DECEMBER 21, 2010 (the "*Agreement*") by and among Festival Ranch Community Facilities District (Town of Buckeye, Arizona) (the "*District*"), and the undersigned owners of Lot number 04544 of Sun City Festival Parcel V1, recorded in Book 814 of Maps, Page 17, Records of Maricopa County, Arizona and located within the District (or holders of options or contracts to purchase land within the District) (collectively referred to as "*Interested Parties*").

WHEREAS, the Town of Buckeye, Arizona, an Arizona municipal corporation (the "*Town*") 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*"), Pulte intends to request the District to form assessment district number 7 (the "*Assessment District*") comprised of Lots 1 through 57, inclusive of Sun City Festival Parcel V1, recorded in Book 814 of Maps, Page 17, Records of Maricopa County, Arizona Lots 1-98,148,149,169-178 and 258-292 inclusive of Sun City Festival Parcel M1, recorded in Book 943 of Maps, Page 49, Records of Maricopa County, Arizona, and Lots 1 through 93, inclusive of Sun City Festival, legal description is further described and depicted in Exhibit A attached hereto (the "*Property*") for the purpose of providing financing for 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 shall be bound by the terms, waivers and agreements set forth in this Agreement and bound by the Assessments (as defined hereafter) recorded against the Property; and

WHEREAS, the proposed public infrastructure purposes to be provided by the Assessment District shall consist of:

A. Acquisition, installation and/or construction 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, installation and construction 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 and collection of the assessment and, if issued, the costs of issuance and sale of the Assessment District bonds;

C. Capitalized interest on such assessments or Assessment District bonds, if any, for a period not to exceed the aggregate time for completion of all construction of and acquisition of the public infrastructure listed above, plus six months thereafter; and

D. A debt service reserve fund created for such assessments or Assessment District bonds.

Collectively, the construction and 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

NOW, THEREFORE, the Interested Parties 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 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, Scope of Work and Assessment.

(i) The Interested Parties have reviewed or have had the opportunity and right to review the boundaries of the Assessment District, 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 lots comprising the Property within the Assessment District on the basis of \$2,000 per lot. The Interested Parties agree that the Engineer's Estimate of the costs of the Work is \$1,174,122 provided, however only that portion of the Engineer's Estimate equal to \$2,000 times the total number of lots in the Assessment District shall be assessed to the lots in the Assessment District.

(ii) This Agreement shall be construed to be an express consent by the Interested Parties 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; (b) the District and the Assessment District may incur costs and expenses necessary to complete or acquire the Work; (c) 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 benefiting the Property in the proposed Assessment District, which was constructed, installed or performed prior to the execution hereof) and the costs of levying and collecting the assessment and, if the bonds are issued, the costs of 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 hereby agree to allow the formation of the Assessment District and to allow the Assessment District to 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 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 pursuant to § 48-590.

5. Approval of Proceedings. The Interested Parties, 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 and the levying of the Assessments against the Property.

6. Waiver. The Interested Parties, 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 or construction 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 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.

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 District with respect to the Work.

9. **Performance of the Work.** The District or the Assessment District may immediately upon collection of the Assessments or upon issuance of such Assessment District bonds, acquire, bid, construct and perform all or part of the Work.

10. **Acceptance of Assessment.** The Interested Parties agree to accept 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 provided, the Assessments on any one lot shall not exceed \$2,000; 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 consent to the recordation of the Assessments against the Property and agree upon such recording 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.

12. **Assessments to go to Bond.** Except as to any Interested Party that pays their Assessment in full prior to the return of the warrant, Assessments may or may not be paid in cash as determined by the District. With respect to Assessments not paid in cash, the Interested Parties request that a certified list of unpaid Assessments be filed after the return of the warrant and that Assessment District bonds amortizing the payment of the Assessments over not less than fifteen (15) years be issued and sold.

13. **Acceptance of Partial Assessment.** 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, so long as they own all or part of any lot comprising the Property.

14. **Waiver of Collateral Document Provisions.** The Interested Parties 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. **Payment of Maintenance Costs.** 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 improvements.

16. **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.

17. **Recording.** This Agreement may be recorded in the office of the County Recorder of Maricopa County, Arizona.

18. **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.

19. **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.

20. **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 supersedes all previous written or oral agreements or understandings regarding the subject matter of this Agreement.

21. **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 need 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 assessment lien, established by the district, encumbering the Property.

[SIGNATURE PAGES TO FOLLOW]

INTERESTED PARTIES:

By: *[Signature]*

Printed Name: ANH T. VO

Date: 12/21/10

Lot: 04544

By: _____

Printed Name: _____

Date: _____

Lot: _____

STATE OF OREGON)
) ss.
COUNTY OF YAMHILL)

The foregoing instrument was acknowledged before me this 21st day of DECEMBER, 2010, by ANH VO.

(Seal and Expiration Date)

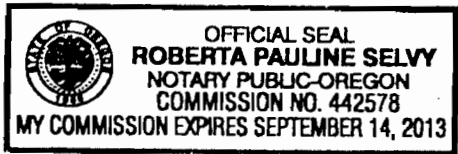
[Signature]
Notary Public

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2010, by _____.

(Seal and Expiration Date)

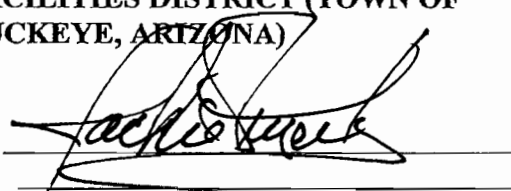
Notary Public



ACCEPTED:

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

By _____



Its: Chairman

STATE OF ARIZONA)

) SS.

COUNTY OF MARICOPA)



The foregoing instrument was acknowledged before me this 16th day of February, 2010 by Jackie Ameck the Chairman of Festival Ranch Community Facilities District (Town of Buckeye, Arizona).

(Seal and Expiration Date) 01-18-2014

Lucinda J. Aja
Notary Public

EXHIBIT A

LEGAL DESCRIPTION
and
MAP

(see attached)

July 23, 2010

LEGAL DESCRIPTION FOR
SUN CITY FESTIVAL
SPECIAL ASSESSMENT AREA No. 7

Parcel No. 1

Lots 1 through 57, inclusive, of Sun City Festival Parcel V1, recorded in Book 814 of Maps, Page 17, Records of Maricopa County, Arizona.

Parcel No. 2

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Thence North 00°22'48" East, along the West line Northwest Quarter of said Section 24, a distance of 1,256.00 feet;

Thence South 89°36'38" East, departing said West line, a distance of 202.00 feet;

Thence North 00°22'48" East, a distance of 132.00 feet;

Thence South 89°36'38" East, a distance of 476.10 feet to the beginning of a tangent curve of 300.00 foot radius, concave Northwesterly;

Thence Northeasterly, along said curve, through a central angle of 32°27'10", a distance of 169.93 feet;

Thence North 57°56'12" East, a distance of 275.62 feet to the beginning of a tangent curve of 300.00 foot radius, concave Southeasterly;

Thence Northeasterly, along said curve, through a central angle of 06°35'56", a distance of 34.55 feet;



Legal Description for
Sun City Festival
Special Assessment Arca No. 7
July 23, 2010

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Thence North $69^{\circ}28'05''$ East, a distance of 151.65 feet to the beginning of a tangent curve of 400.00 foot radius, concave Southeasterly;

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Thence North $00^{\circ}22'43''$ East, a distance of 75.00 feet;
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Thence North $69^{\circ}27'37''$ East, along said Southerly right-of-way line, a distance of 1,596.23 feet to a point on the North South mid-section line of Section 13;

Thence North $69^{\circ}27'38''$ East, along said Southerly right-of-way line, a distance of 104.88 feet;

Thence South $07^{\circ}39'01''$ West, a distance of 245.00 feet;

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Thence South $14^{\circ}26'19''$ West, a distance of 44.41 feet;



Legal Description for
Sun City Festival
Special Assessment Area No. 7
July 23, 2010

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Thence North 87°48'12" West, a distance of 154.54 feet;
Thence North 25°05'34" West, a distance of 22.27 feet;
Thence North 89°00'44" West, a distance of 64.57 feet;
Thence North 80°19'53" West, a distance of 210.00 feet;
Thence South 09°40'07" West, a distance of 110.00 feet;
Thence North 80°19'53" West, a distance of 35.81 feet;
Thence South 09°40'07" West, a distance of 44.00 feet;
Thence South 35°19'53" East, a distance of 21.21 feet;

Thence South 09°40'07" West, a distance of 17.21 feet to the beginning of a tangent curve of 272.00 foot radius, concave Easterly;

Thence Southerly, along said curve, through a central angle of 22°11'35", a distance of 105.36 feet;

Thence South 12°31'28" East, a distance of 201.94 feet to a point on the Northerly Boundary for Sun City Festival - Parcels P1 & I1 recorded in Book 961 of Maps, Page 46, Maricopa County Records;

Thence along said Northerly Boundary the following courses:

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Thence South 77°28'32" West, a distance of 190.40 feet;
Thence North 60°48'53" West, a distance of 22.40 feet;

Thence South 70°53'42" West, a distance of 44.00 feet to a point on a 278.00 foot radius non-tangent curve, whose center bears South 70°53'42" West;

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Thence South 09°28'51" East, a distance of 105.83 feet;

Thence South 80°31'09" West, departing said Northerly Boundary line, a distance of 115.00 feet;

Thence North 09°28'51" West, a distance of 80.00 feet;
Thence North 14°51'04" West, a distance of 72.78 feet;
Thence North 38°23'16" West, a distance of 69.36 feet;
Thence North 62°57'25" West, a distance of 69.36 feet;
Thence North 85°39'03" West, a distance of 73.75 feet;
Thence North 89°37'17" West, a distance of 160.00 feet;
Thence North 00°22'43" East, a distance of 115.00 feet;



Legal Description for
Sun City Festival
Special Assessment Area No. 7
July 23, 2010

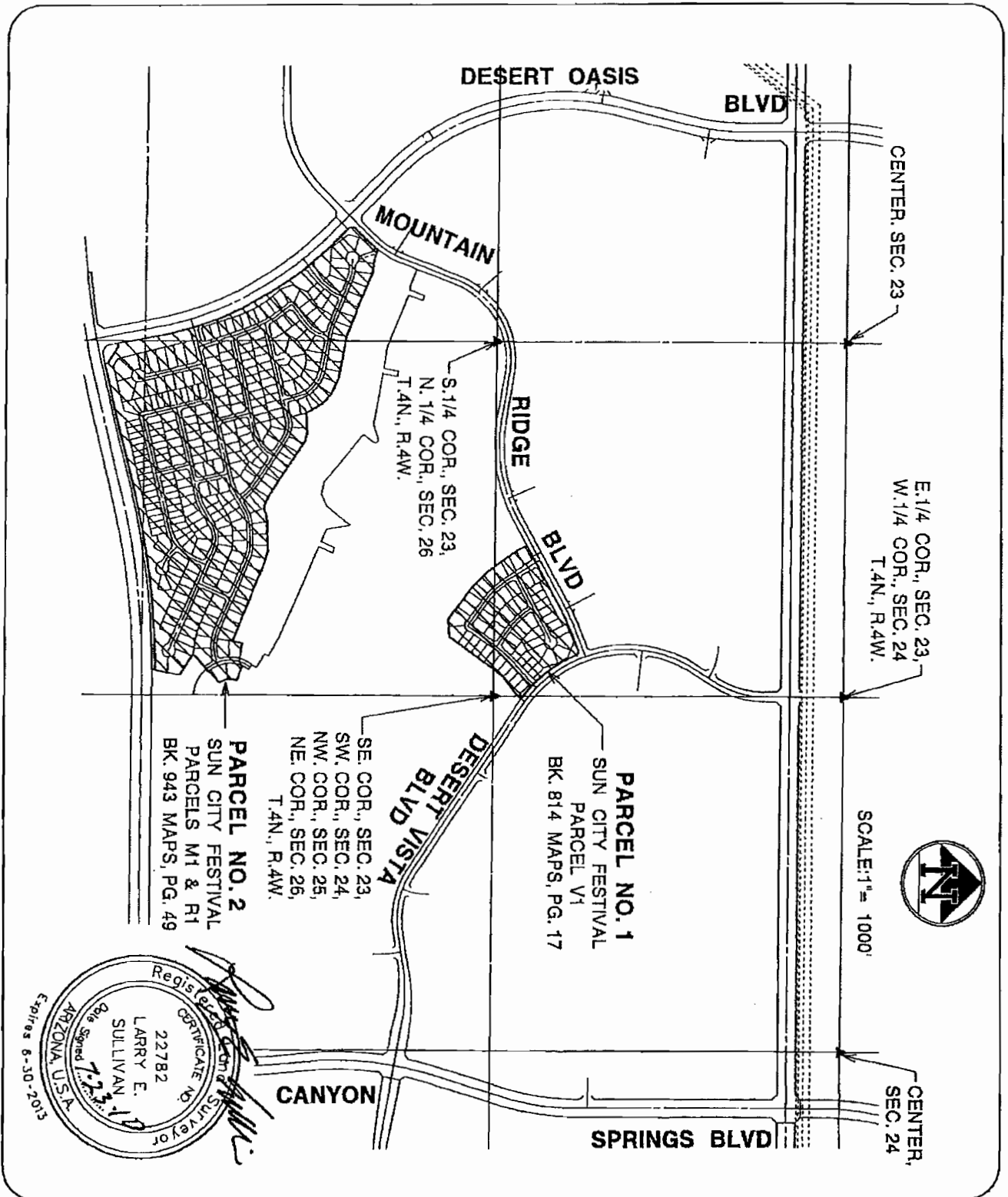
Thence North 89°37'17" West, a distance of 64.65 feet;

Thence North 00°22'43" East, a distance of 22.00 feet to the True Point of Beginning.

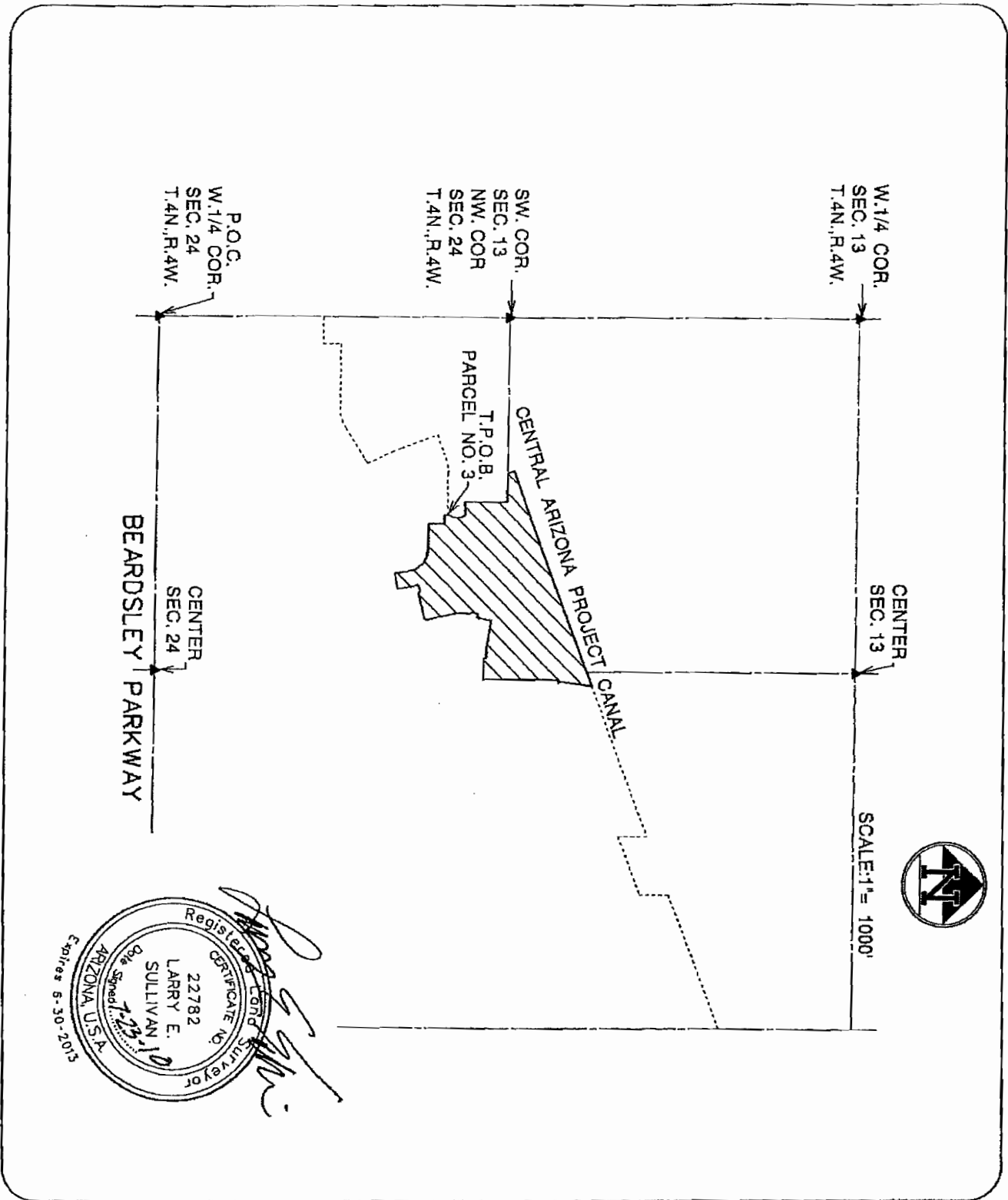


Expires: 6/30/2013





<p>EXHIBIT</p> <p>N:\680001\LAND\EHASDIS1.DGN</p>	<p>SUN CITY FESTIVAL SPECIAL ASSESSMENT AREA NO. 7</p>	<p>JOB NO 68000801</p>
<p>4550 NORTH 12TH STREET PHOENIX, ARIZONA 85014 TELEPHONE (602) 264-6831</p>	<p>COE & VAN LOO PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE</p>	<p>SHEET 1 OF 2</p>



<p>EXHIBIT</p> <p>N:\680001\LAND\HASDIS7-1.DGN</p>	<p>SUN CITY FESTIVAL SPECIAL ASSESSMENT AREA NO. 7</p>	<p>JOB NO 68000801</p>
<p>4550 NORTH 12TH STREET PHOENIX, ARIZONA 85014 TELEPHONE (602) 264-6831</p>	<p>COE & VAN LOO PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE</p>	<p>SHEET 2 OF 2</p>

EXHIBIT B

PUBLIC INFRASTRUCTURE

“Public Infrastructure” means, for purposes of this Agreement, the following:

DESCRIPTION OF PUBLIC INFRASTRUCTURE

Parcel	No. of Lots	Est. Street Improvements	Street Names	Linear Feet	Estimated Date of Completion
V1	57	\$357,836	268th Ave., Pontiac St., 267 th Lane, Yukon Dr.	2100	Completed in Oct 2007
L1	93	\$276,981	Vista North Dr., Tina Lane, 263 rd Court, 263 rd Dr., Cat Balue Dr., 265 th Dr.,	3942	March 2011
M1	145	\$539,305	271 st Lane, Behrend Dr., 271 st Ave., Tonto Lane, Sequoia Dr., 270 th Dr., Oraibi Dr., 270 th Lane	7685	December 2010
	<u>295</u>	<u>\$1,174,122</u>		<u>13,727</u>	

When recorded return to:
Mr. Scott W. Ruby
Gust Rosenfeld P.L.C.
201 E. Washington Street, Suite 800
Phoenix, Arizona 85004-2327

**FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
WAIVER AND DEVELOPMENT AGREEMENT
PERTAINING TO THE TO BE FORMED ASSESSMENT DISTRICT NO. 7**

This Festival Ranch Community Facilities District (Town of Buckeye, Arizona) Waiver and Development Agreement Pertaining to the proposed formation of Assessment District No. 7, is dated Nov. 16, 2010 (the "*Agreement*") by and among Festival Ranch Community Facilities District (Town of Buckeye, Arizona) (the "*District*"), and the undersigned owners of Lot number 31 of Sun City Festival Parcel V1, recorded in Book 814 of Maps, Page 17, Records of Maricopa County, Arizona and located within the District (or holders of options or contracts to purchase land within the District) (collectively referred to as "*Interested Parties*").

WHEREAS, the Town of Buckeye, Arizona, an Arizona municipal corporation (the "*Town*") 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*"), Pulte intends to request the District to form assessment district number 7 (the "*Assessment District*") comprised of Lots 1 through 57, inclusive of Sun City Festival Parcel V1, recorded in Book 814 of Maps, Page 17, Records of Maricopa County, Arizona Lots 1-98,148,149,169-178 and 258-292 inclusive of Sun City Festival Parcel M1, recorded in Book 943 of Maps, Page 49, Records of Maricopa County, Arizona, and Lots 1 through 93, inclusive of Sun City Festival, legal description is further described and depicted in Exhibit A attached hereto (the "*Property*") for the purpose of providing financing for 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 shall be bound by the terms, waivers and agreements set forth in this Agreement and bound by the Assessments (as defined hereafter) recorded against the Property; and

WHEREAS, the proposed public infrastructure purposes to be provided by the Assessment District shall consist of:

A. Acquisition, installation and/or construction 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, installation and construction 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 and collection of the assessment and, if issued, the costs of issuance and sale of the Assessment District bonds;

C. Capitalized interest on such assessments or Assessment District bonds, if any, for a period not to exceed the aggregate time for completion of all construction of and acquisition of the public infrastructure listed above, plus six months thereafter; and

D. A debt service reserve fund created for such assessments or Assessment District bonds.

Collectively, the construction and 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

NOW, THEREFORE, the Interested Parties 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 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, Scope of Work and Assessment.

(i) The Interested Parties have reviewed or have had the opportunity and right to review the boundaries of the Assessment District, 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 lots comprising the Property within the Assessment District on the basis of \$2,000 per lot. The Interested Parties agree that the Engineer's Estimate of the costs of the Work is \$1,174,122 provided, however only that portion of the Engineer's Estimate equal to \$2,000 times the total number of lots in the Assessment District shall be assessed to the lots in the Assessment District.

(ii) This Agreement shall be construed to be an express consent by the Interested Parties 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; (b) the District and the Assessment District may incur costs and expenses necessary to complete or acquire the Work; (c) 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 benefiting the Property in the proposed Assessment District, which was constructed, installed or performed prior to the execution hereof) and the costs of levying and collecting the assessment and, if the bonds are issued, the costs of 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 hereby agree to allow the formation of the Assessment District and to allow the Assessment District to 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 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 pursuant to § 48-590.

5. Approval of Proceedings. The Interested Parties, 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 and the levying of the Assessments against the Property.

6. Waiver. The Interested Parties, 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 or construction 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 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.

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 District with respect to the Work.

9. Performance of the Work. The District or the Assessment District may immediately upon collection of the Assessments or upon issuance of such Assessment District bonds, acquire, bid, construct and perform all or part of the Work.

10. **Acceptance of Assessment.** The Interested Parties agree to accept 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 provided, the Assessments on any one lot shall not exceed \$2,000; 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 consent to the recordation of the Assessments against the Property and agree upon such recording 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.

12. **Assessments to go to Bond.** Except as to any Interested Party that pays their Assessment in full prior to the return of the warrant, Assessments may or may not be paid in cash as determined by the District. With respect to Assessments not paid in cash, the Interested Parties request that a certified list of unpaid Assessments be filed after the return of the warrant and that Assessment District bonds amortizing the payment of the Assessments over not less than fifteen (15) years be issued and sold.

13. **Acceptance of Partial Assessment.** 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, so long as they own all or part of any lot comprising the Property.

14. **Waiver of Collateral Document Provisions.** The Interested Parties 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. **Payment of Maintenance Costs.** 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 improvements.

16. **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.

17. **Recording.** This Agreement may be recorded in the office of the County Recorder of Maricopa County, Arizona.

18. **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.

19. **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.

20. **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 supersedes all previous written or oral agreements or understandings regarding the subject matter of this Agreement.

21. **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 need 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 assessment lien, established by the district, encumbering the Property.

[SIGNATURE PAGES TO FOLLOW]

INTERESTED PARTIES:

By: M. E. Hoogers

Printed Name: Mary Ellen Hoogers

Date: January 12, 2011

Lot: 31

By: _____

Printed Name: _____

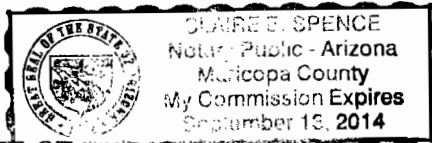
Date: _____

Lot: _____

STATE OF Arizona)
) ss.
COUNTY OF Maricopa)

The foregoing instrument was acknowledged before me this 12th day of January, 2010, by Mary Ellen Hoogers.

(Seal and Expiration Date)



Claire E Spence
Notary Public

STATE OF _____)
) ss.
COUNTY OF _____)

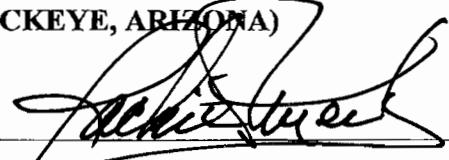
The foregoing instrument was acknowledged before me this _____ day of _____, 2010, by _____.

(Seal and Expiration Date)

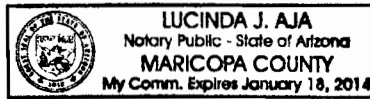
Notary Public

ACCEPTED:

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

By 
Its: Chairman

STATE OF ARIZONA)
) SS.
COUNTY OF MARICOPA)



The foregoing instrument was acknowledged before me this 16th day of February, 2010 by Jackie A Meek the Chairman of Festival Ranch Community Facilities District (Town of Buckeye, Arizona).

(Seal and Expiration Date) 01-18-2014

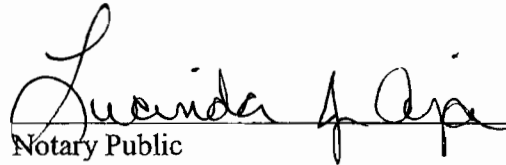

Notary Public

EXHIBIT A

LEGAL DESCRIPTION
and
MAP

(see attached)

July 23, 2010

LEGAL DESCRIPTION FOR
SUN CITY FESTIVAL
SPECIAL ASSESSMENT AREA No. 7

Parcel No. 1

Lots 1 through 57, inclusive, of Sun City Festival Parcel V1, recorded in Book 814 of Maps, Page 17, Records of Maricopa County, Arizona.

Parcel No. 2

Lots 1 through 98, inclusive, 148, 149, 169 through 178, inclusive, and 258 through 292, inclusive, of Sun City Festival Parcels M1 & R1, recorded in Book 943 of Maps, Page 49, Records of Maricopa County, Arizona.

Parcel No. 3

That part of the South Half of Section 13 and the North Half of Section 24, Township 4 North, Range 4 West, of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the G.L.O. Brass Cap marking the West Quarter Corner of said Section 24, from which the G.L.O. Brass Cap marking the Southwest Corner of said Section 24 bears South $00^{\circ}23'31''$ West, a distance of 2,640.13 feet;

Thence North $00^{\circ}22'48''$ East, along the West line Northwest Quarter of said Section 24, a distance of 1,256.00 feet;

Thence South $89^{\circ}36'38''$ East, departing said West line, a distance of 202.00 feet;

Thence North $00^{\circ}22'48''$ East, a distance of 132.00 feet;

Thence South $89^{\circ}36'38''$ East, a distance of 476.10 feet to the beginning of a tangent curve of 300.00 foot radius, concave Northwesterly;

Thence Northeasterly, along said curve, through a central angle of $32^{\circ}27'10''$, a distance of 169.93 feet;

Thence North $57^{\circ}56'12''$ East, a distance of 275.62 feet to the beginning of a tangent curve of 300.00 foot radius, concave Southeasterly;

Thence Northeasterly, along said curve, through a central angle of $06^{\circ}35'56''$, a distance of 34.55 feet;



Legal Description for
Sun City Festival
Special Assessment Area No. 7
July 23, 2010

Thence North 25°27'52" West, a distance of 142.50 feet to the beginning of a tangent curve of 1,500.00 foot radius, concave Northeasterly;

Thence Northwesterly, along said curve, through a central angle of 04°55'57", a distance of 129.13 feet;

Thence North 20°31'55" West, a distance of 282.74 feet;

Thence North 69°28'05" East, a distance of 151.65 feet to the beginning of a tangent curve of 400.00 foot radius, concave Southeasterly;

Thence Northeasterly, along said curve, through a central angle of 20°54'38", a distance of 145.98 feet;

Thence South 89°37'17" East, a distance of 307.28 feet to the True Point of Beginning;

Thence North 00°22'43" East, a distance of 22.00 feet;
Thence North 45°22'43" East, a distance of 21.21 feet;
Thence North 00°22'43" East, a distance of 75.00 feet;
Thence North 26°11'11" West, a distance of 22.36 feet;
Thence North 89°37'17" West, a distance of 105.00 feet;

Thence North 00°22'43" East, a distance of 319.00 feet to a point on the North line of the Northwest Quarter of said Section 24;

Thence North 89°37'17" West, along said North line, a distance of 210.22 feet;

Thence North 20°32'23" West, departing said North line, a distance of 55.02 feet to a point on the Southerly right-of-way line for the Central Arizona Project Canal;

Thence North 69°27'37" East, along said Southerly right-of-way line, a distance of 1,596.23 feet to a point on the North South mid-section line of Section 13;

Thence North 69°27'38" East, along said Southerly right-of-way line, a distance of 104.88 feet;

Thence South 07°39'01" West, a distance of 245.00 feet;

Thence South 55°27'32" East, a distance of 22.42 feet to a point on a 522.00 foot radius non-tangent curve, whose center bears South 09°09'21" West;

Thence Northwesterly, along said curve, through a central angle of 02°11'44", a distance of 20.00 feet;

Thence South 14°26'19" West, a distance of 44.41 feet;



Legal Description for
Sun City Festival
Special Assessment Area No. 7
July 23, 2010

Thence South 00°24'03" West, a distance of 534.32 feet;
Thence North 87°48'12" West, a distance of 154.54 feet;
Thence North 25°05'34" West, a distance of 22.27 feet;
Thence North 89°00'44" West, a distance of 64.57 feet;
Thence North 80°19'53" West, a distance of 210.00 feet;
Thence South 09°40'07" West, a distance of 110.00 feet;
Thence North 80°19'53" West, a distance of 35.81 feet;
Thence South 09°40'07" West, a distance of 44.00 feet;
Thence South 35°19'53" East, a distance of 21.21 feet;

Thence South 09°40'07" West, a distance of 17.21 feet to the beginning of a tangent curve of 272.00 foot radius, concave Easterly;

Thence Southerly, along said curve, through a central angle of 22°11'35", a distance of 105.36 feet;

Thence South 12°31'28" East, a distance of 201.94 feet to a point on the Northerly Boundary for Sun City Festival - Parcels P1 & I1 recorded in Book 961 of Maps, Page 46, Maricopa County Records;

Thence along said Northerly Boundary the following courses:

Thence South 32°28'32" West, a distance of 21.21 feet;
Thence South 77°28'32" West, a distance of 190.40 feet;
Thence North 60°48'53" West, a distance of 22.40 feet;

Thence South 70°53'42" West, a distance of 44.00 feet to a point on a 278.00 foot radius non-tangent curve, whose center bears South 70°53'42" West;

Thence Southeasterly, along said curve, through a central angle of 09°37'27", a distance of 46.70 feet;

Thence South 09°28'51" East, a distance of 105.83 feet;

Thence South 80°31'09" West, departing said Northerly Boundary line, a distance of 115.00 feet;

Thence North 09°28'51" West, a distance of 80.00 feet;
Thence North 14°51'04" West, a distance of 72.78 feet;
Thence North 38°23'16" West, a distance of 69.36 feet;
Thence North 62°57'25" West, a distance of 69.36 feet;
Thence North 85°39'03" West, a distance of 73.75 feet;
Thence North 89°37'17" West, a distance of 160.00 feet;
Thence North 00°22'43" East, a distance of 115.00 feet;



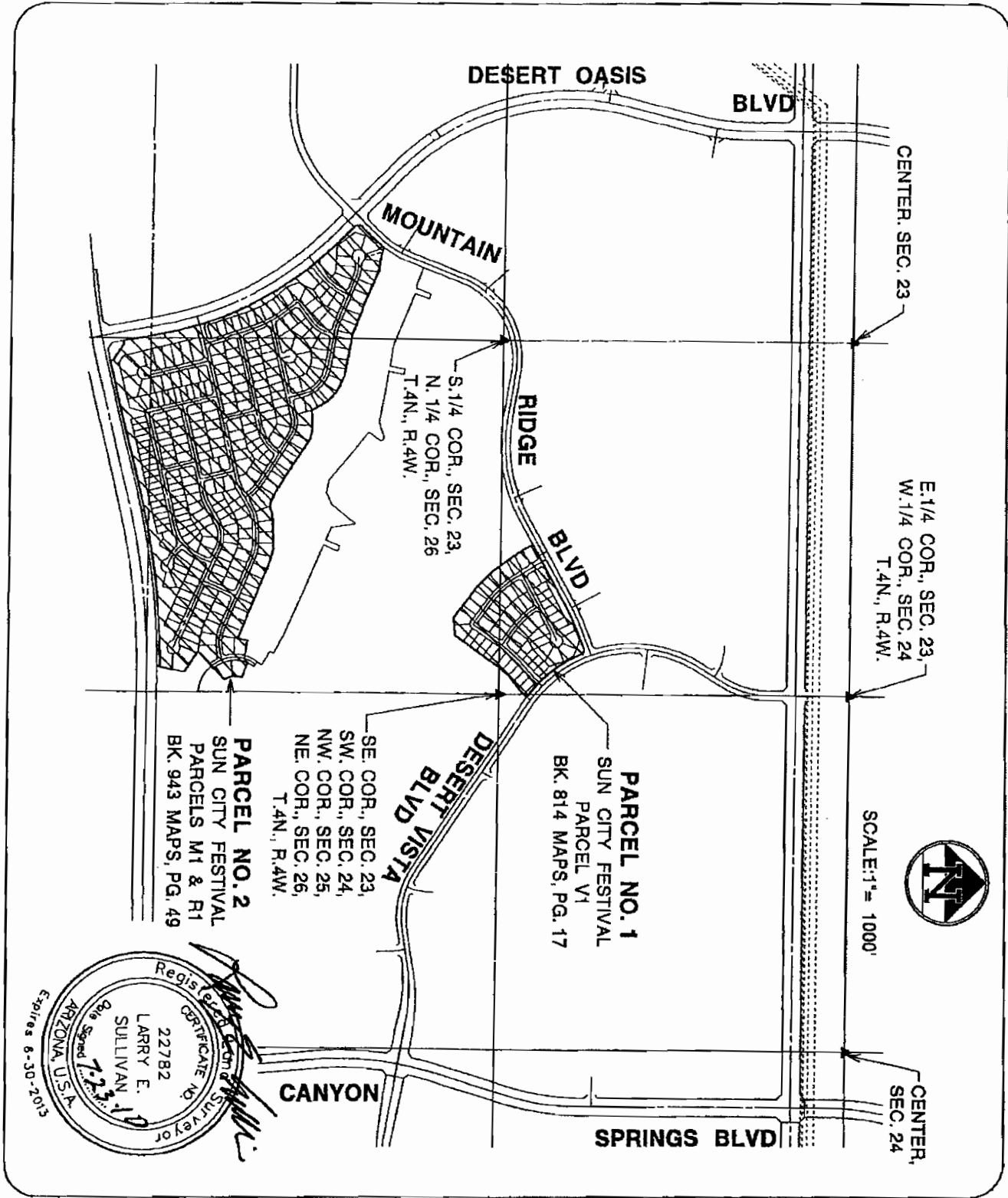
Legal Description for
Sun City Festival
Special Assessment Area No. 7
July 23, 2010

Thence North $89^{\circ}37'17''$ West, a distance of 64.65 feet;

Thence North $00^{\circ}22'43''$ East, a distance of 22.00 feet to the True Point of Beginning.



Expires: 8/30/2013



<p>EXHIBIT</p> <p>N:\680001\LAND\EHASDIS1.DGN</p>	<p>SUN CITY FESTIVAL SPECIAL ASSESSMENT AREA NO. 7</p>	<p>JOB NO 68000801</p>
<p>4550 NORTH 12TH STREET PHOENIX, ARIZONA 85014 TELEPHONE (602) 264-6831</p>	<p>COE & VAN LOO PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE</p>	<p>SHEET 1 OF 2</p>

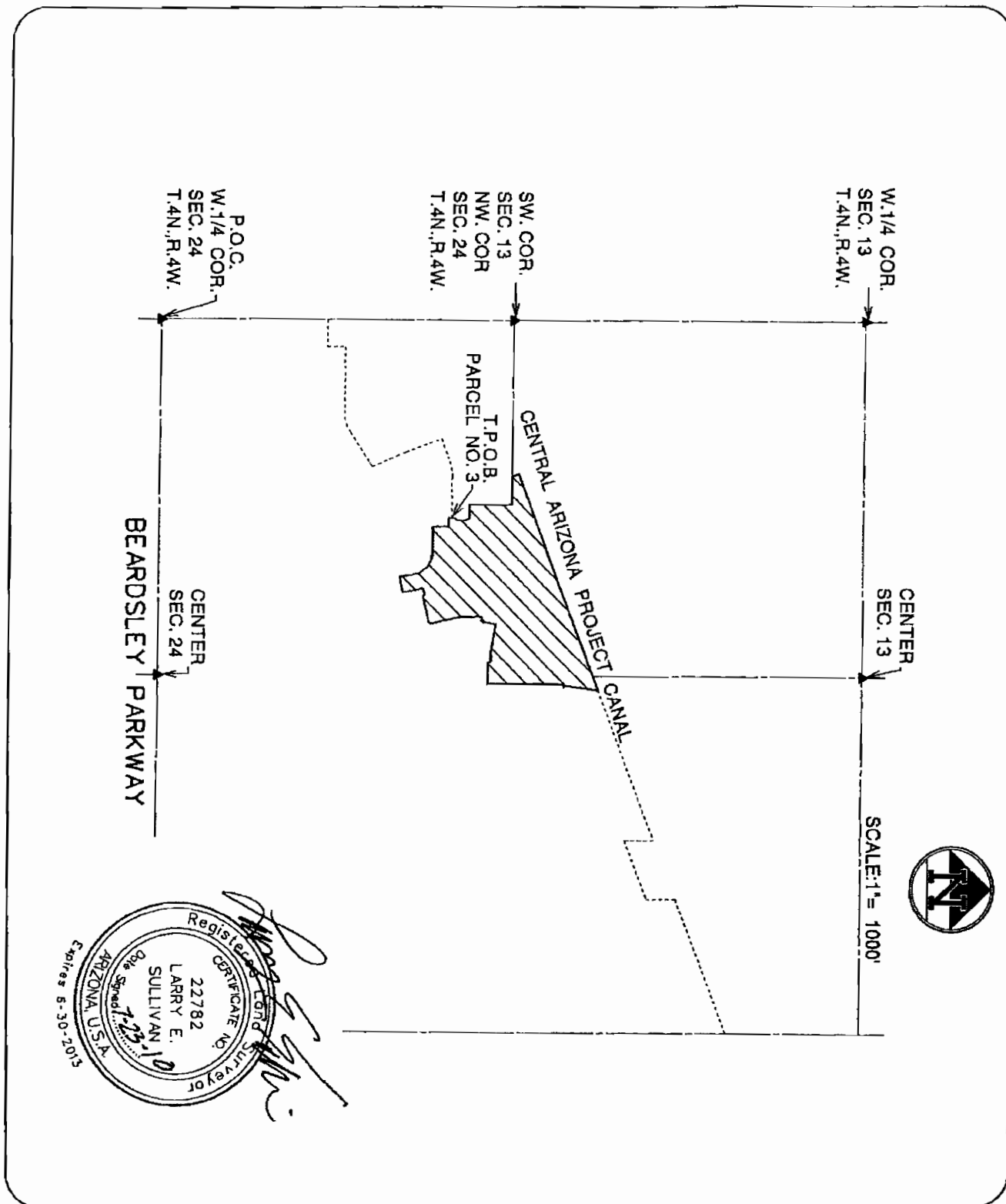


EXHIBIT N:\680001\LAND\EHASDIS7-1.DGN	SUN CITY FESTIVAL SPECIAL ASSESSMENT AREA NO. 7	JOB NO 68000801
4550 NORTH 12TH STREET PHOENIX, ARIZONA 85014 TELEPHONE (602) 264-6831	COE & VAN LOO PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE	SHEET 2 OF 2

EXHIBIT B

PUBLIC INFRASTRUCTURE

“Public Infrastructure” means, for purposes of this Agreement, the following:

DESCRIPTION OF PUBLIC INFRASTRUCTURE

<u>Parcel</u>	<u>No. of Lots</u>	<u>Est. Street Improvements</u>	<u>Street Names</u>	<u>Linear Feet</u>	<u>Estimated Date of Completion</u>
V1	57	\$357,836	268th Ave., Pontiac St., 267 th Lane, Yukon Dr.	2100	Completed in Oct 2007
L1	93	\$276,981	Vista North Dr., Tina Lane, 263 rd Court, 263 rd Dr., Cat Balue Dr., 265 th Dr.,	3942	March 2011
M1	145	\$539,305	271 st Lane, Behrend Dr., 271 st Ave., Tonto Lane, Sequoia Dr., 270 th Dr., Oraibi Dr., 270 th Lane	7685	December 2010
	<u>295</u>	<u>\$1,174,122</u>		<u>13,727</u>	

When recorded return to:
Mr. Scott W. Ruby
Gust Rosenfeld P.L.C.
201 E. Washington Street, Suite 800
Phoenix, Arizona 85004-2327

**FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
WAIVER AND DEVELOPMENT AGREEMENT
PERTAINING TO THE TO BE FORMED ASSESSMENT DISTRICT NO. 7**

This Festival Ranch Community Facilities District (Town of Buckeye, Arizona) Waiver and Development Agreement Pertaining to the proposed formation of Assessment District No. 7, is dated 7-27-10, 2010 (the "Agreement") by and among Festival Ranch Community Facilities District (Town of Buckeye, Arizona) (the "District"), and the undersigned owners of Lot number 03244 of Sun City Festival Parcel VI, recorded in Book 814 of Maps, Page 17, Records of Maricopa County, Arizona and located within the District (or holders of options or contracts to purchase land within the District) (collectively referred to as "Interested Parties").

WHEREAS, the Town of Buckeye, Arizona, an Arizona municipal corporation (the "Town") 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"), Pulte intends to request the District to form assessment district number 7 (the "Assessment District") comprised of Lots 1 through 57, inclusive of Sun City Festival Parcel VI, recorded in Book 814 of Maps, Page 17, Records of Maricopa County, Arizona Lots 1-98,148,149,169-178 and 258-292 inclusive of Sun City Festival Parcel M1, recorded in Book 943 of Maps, Page 49, Records of Maricopa County, Arizona, and Lots 1 through 93, inclusive of Sun City Festival, legal description is further described and depicted in Exhibit A attached hereto (the "Property") for the purpose of providing financing for 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 shall be bound by the terms, waivers and agreements set forth in this Agreement and bound by the Assessments (as defined hereafter) recorded against the Property; and

WHEREAS, the proposed public infrastructure purposes to be provided by the Assessment District shall consist of:

A. Acquisition, installation and/or construction 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, installation and construction 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 and collection of the assessment and, if issued, the costs of issuance and sale of the Assessment District bonds;

C. Capitalized interest on such assessments or Assessment District bonds, if any, for a period not to exceed the aggregate time for completion of all construction of and acquisition of the public infrastructure listed above, plus six months thereafter; and

D. A debt service reserve fund created for such assessments or Assessment District bonds.

Collectively, the construction and 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

NOW, THEREFORE, the Interested Parties 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 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, Scope of Work and Assessment.

(i) The Interested Parties have reviewed or have had the opportunity and right to review the boundaries of the Assessment District, 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 lots comprising the Property within the Assessment District on the basis of \$2,000 per lot. The Interested Parties agree that the Engineer's Estimate of the costs of the Work is \$1,174,122 provided, however only that portion of the Engineer's Estimate equal to \$2,000 times the total number of lots in the Assessment District shall be assessed to the lots in the Assessment District.

(ii) This Agreement shall be construed to be an express consent by the Interested Parties 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; (b) the District and the Assessment District may incur costs and expenses necessary to complete or acquire the Work; (c) 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 benefiting the Property in the proposed Assessment District, which was constructed, installed or performed prior to the execution hereof) and the costs of levying and collecting the assessment and, if the bonds are issued, the costs of 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 hereby agree to allow the formation of the Assessment District and to allow the Assessment District to 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 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 pursuant to § 48-590.

5. Approval of Proceedings. The Interested Parties, 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 and the levying of the Assessments against the Property.

6. Waiver. The Interested Parties, 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 or construction 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 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.

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 District with respect to the Work.

9. **Performance of the Work.** The District or the Assessment District may immediately upon collection of the Assessments or upon issuance of such Assessment District bonds, acquire, bid, construct and perform all or part of the Work.

10. **Acceptance of Assessment.** The Interested Parties agree to accept 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 provided, the Assessments on any one lot shall not exceed \$2,000; 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 consent to the recordation of the Assessments against the Property and agree upon such recording 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.

12. **Assessments to go to Bond.** Except as to any Interested Party that pays their Assessment in full prior to the return of the warrant, Assessments may or may not be paid in cash as determined by the District. With respect to Assessments not paid in cash, the Interested Parties request that a certified list of unpaid Assessments be filed after the return of the warrant and that Assessment District bonds amortizing the payment of the Assessments over not less than fifteen (15) years be issued and sold.

13. **Acceptance of Partial Assessment.** 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, so long as they own all or part of any lot comprising the Property.

14. **Waiver of Collateral Document Provisions.** The Interested Parties 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. **Payment of Maintenance Costs.** 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 improvements.

16. **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.

17. **Recording.** This Agreement may be recorded in the office of the County Recorder of Maricopa County, Arizona.

18. **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.

19. **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.

20. **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 supersedes all previous written or oral agreements or understandings regarding the subject matter of this Agreement.

21. **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 need 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 assessment lien, established by the district, encumbering the Property.

[SIGNATURE PAGES TO FOLLOW]

INTERESTED PARTIES:

By: Silver

Printed Name: LEWIS H SILVER

Date: 7/27/10

Lot: 03244

By: acKothe

Printed Name: Angela C. Kothe

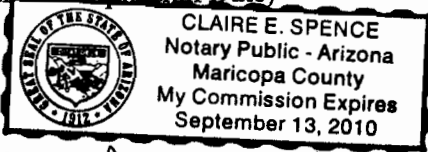
Date: 27 July 2010

Lot: 03244

STATE OF Arizona)
) ss.
COUNTY OF Maricopa)

The foregoing instrument was acknowledged before me this 27th day of July, 2010, by Lewis H. Silver.

(Seal and Expiration Date)

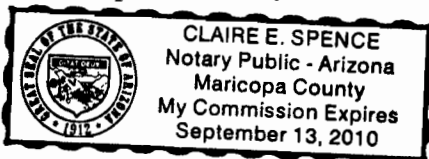


Claire E Spence
Notary Public

STATE OF Arizona)
) ss.
COUNTY OF Maricopa)

The foregoing instrument was acknowledged before me this 27th day of July, 2010, by Angela C. Kothe.

(Seal and Expiration Date)



Claire E Spence
Notary Public

ACCEPTED:

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

By _____

[Signature]
Its: Chairman

STATE OF ARIZONA)
) SS.
COUNTY OF MARICOPA)



The foregoing instrument was acknowledged before me this 16th day of February, 2010 by Jackie Ameck the Chairman of Festival Ranch Community Facilities District (Town of Buckeye, Arizona).

(Seal and Expiration Date) 01-18-2014

[Signature]
Notary Public

EXHIBIT A

LEGAL DESCRIPTION
and
MAP

(see attached)

July 23, 2010

LEGAL DESCRIPTION FOR
SUN CITY FESTIVAL
SPECIAL ASSESSMENT AREA No. 7

Parcel No. 1

Lots 1 through 57, inclusive, of Sun City Festival Parcel V1, recorded in Book 814 of Maps, Page 17, Records of Maricopa County, Arizona.

Parcel No. 2

Lots 1 through 98, inclusive, 148, 149, 169 through 178, inclusive, and 258 through 292, inclusive, of Sun City Festival Parcels M1 & R1, recorded in Book 943 of Maps, Page 49, Records of Maricopa County, Arizona.

Parcel No. 3

That part of the South Half of Section 13 and the North Half of Section 24, Township 4 North, Range 4 West, of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the G.L.O. Brass Cap marking the West Quarter Corner of said Section 24, from which the G.L.O. Brass Cap marking the Southwest Corner of said Section 24 bears South $00^{\circ}23'31''$ West, a distance of 2,640.13 feet;

Thence North $00^{\circ}22'48''$ East, along the West line Northwest Quarter of said Section 24, a distance of 1,256.00 feet;

Thence South $89^{\circ}36'38''$ East, departing said West line, a distance of 202.00 feet;

Thence North $00^{\circ}22'48''$ East, a distance of 132.00 feet;

Thence South $89^{\circ}36'38''$ East, a distance of 476.10 feet to the beginning of a tangent curve of 300.00 foot radius, concave Northwesterly;

Thence Northeasterly, along said curve, through a central angle of $32^{\circ}27'10''$, a distance of 169.93 feet;

Thence North $57^{\circ}56'12''$ East, a distance of 275.62 feet to the beginning of a tangent curve of 300.00 foot radius, concave Southeasterly;

Thence Northeasterly, along said curve, through a central angle of $06^{\circ}35'56''$, a distance of 34.55 feet;



Legal Description for
Sun City Festival
Special Assessment Arca No. 7
July 23, 2010

Thence North 25°27'52" West, a distance of 142.50 feet to the beginning of a tangent curve of 1,500.00 foot radius, concave Northeasterly;

Thence Northwesterly, along said curve, through a central angle of 04°55'57", a distance of 129.13 feet;

Thence North 20°31'55" West, a distance of 282.74 feet;

Thence North 69°28'05" East, a distance of 151.65 feet to the beginning of a tangent curve of 400.00 foot radius, concave Southeasterly;

Thence Northeasterly, along said curve, through a central angle of 20°54'38", a distance of 145.98 feet;

Thence South 89°37'17" East, a distance of 307.28 feet to the True Point of Beginning;

Thence North 00°22'43" East, a distance of 22.00 feet;
Thence North 45°22'43" East, a distance of 21.21 feet;
Thence North 00°22'43" East, a distance of 75.00 feet;
Thence North 26°11'11" West, a distance of 22.36 feet;
Thence North 89°37'17" West, a distance of 105.00 feet;

Thence North 00°22'43" East, a distance of 319.00 feet to a point on the North line of the Northwest Quarter of said Section 24;

Thence North 89°37'17" West, along said North line, a distance of 210.22 feet;

Thence North 20°32'23" West, departing said North line, a distance of 55.02 feet to a point on the Southerly right-of-way line for the Central Arizona Project Canal;

Thence North 69°27'37" East, along said Southerly right-of-way line, a distance of 1,596.23 feet to a point on the North South mid-section line of Section 13;

Thence North 69°27'38" East, along said Southerly right-of-way line, a distance of 104.88 feet;

Thence South 07°39'01" West, a distance of 245.00 feet;

Thence South 55°27'32" East, a distance of 22.42 feet to a point on a 522.00 foot radius non-tangent curve, whose center bears South 09°09'21" West;

Thence Northwesterly, along said curve, through a central angle of 02°11'44", a distance of 20.00 feet;

Thence South 14°26'19" West, a distance of 44.41 feet;



Legal Description for
Sun City Festival
Special Assessment Area No. 7
July 23, 2010

Thence South 00°24'03" West, a distance of 534.32 feet;
Thence North 87°48'12" West, a distance of 154.54 feet;
Thence North 25°05'34" West, a distance of 22.27 feet;
Thence North 89°00'44" West, a distance of 64.57 feet;
Thence North 80°19'53" West, a distance of 210.00 feet;
Thence South 09°40'07" West, a distance of 110.00 feet;
Thence North 80°19'53" West, a distance of 35.81 feet;
Thence South 09°40'07" West, a distance of 44.00 feet;
Thence South 35°19'53" East, a distance of 21.21 feet;

Thence South 09°40'07" West, a distance of 17.21 feet to the beginning of a tangent curve of 272.00 foot radius, concave Easterly;

Thence Southerly, along said curve, through a central angle of 22°11'35", a distance of 105.36 feet;

Thence South 12°31'28" East, a distance of 201.94 feet to a point on the Northerly Boundary for Sun City Festival - Parcels P1 & I1 recorded in Book 961 of Maps, Page 46, Maricopa County Records;

Thence along said Northerly Boundary the following courses:

Thence South 32°28'32" West, a distance of 21.21 feet;
Thence South 77°28'32" West, a distance of 190.40 feet;
Thence North 60°48'53" West, a distance of 22.40 feet;

Thence South 70°53'42" West, a distance of 44.00 feet to a point on a 278.00 foot radius non-tangent curve, whose center bears South 70°53'42" West;

Thence Southeasterly, along said curve, through a central angle of 09°37'27", a distance of 46.70 feet;

Thence South 09°28'51" East, a distance of 105.83 feet;

Thence South 80°31'09" West, departing said Northerly Boundary line, a distance of 115.00 feet;

Thence North 09°28'51" West, a distance of 80.00 feet;
Thence North 14°51'04" West, a distance of 72.78 feet;
Thence North 38°23'16" West, a distance of 69.36 feet;
Thence North 62°57'25" West, a distance of 69.36 feet;
Thence North 85°39'03" West, a distance of 73.75 feet;
Thence North 89°37'17" West, a distance of 160.00 feet;
Thence North 00°22'43" East, a distance of 115.00 feet;



Legal Description for
Sun City Festival
Special Assessment Area No. 7
July 23, 2010

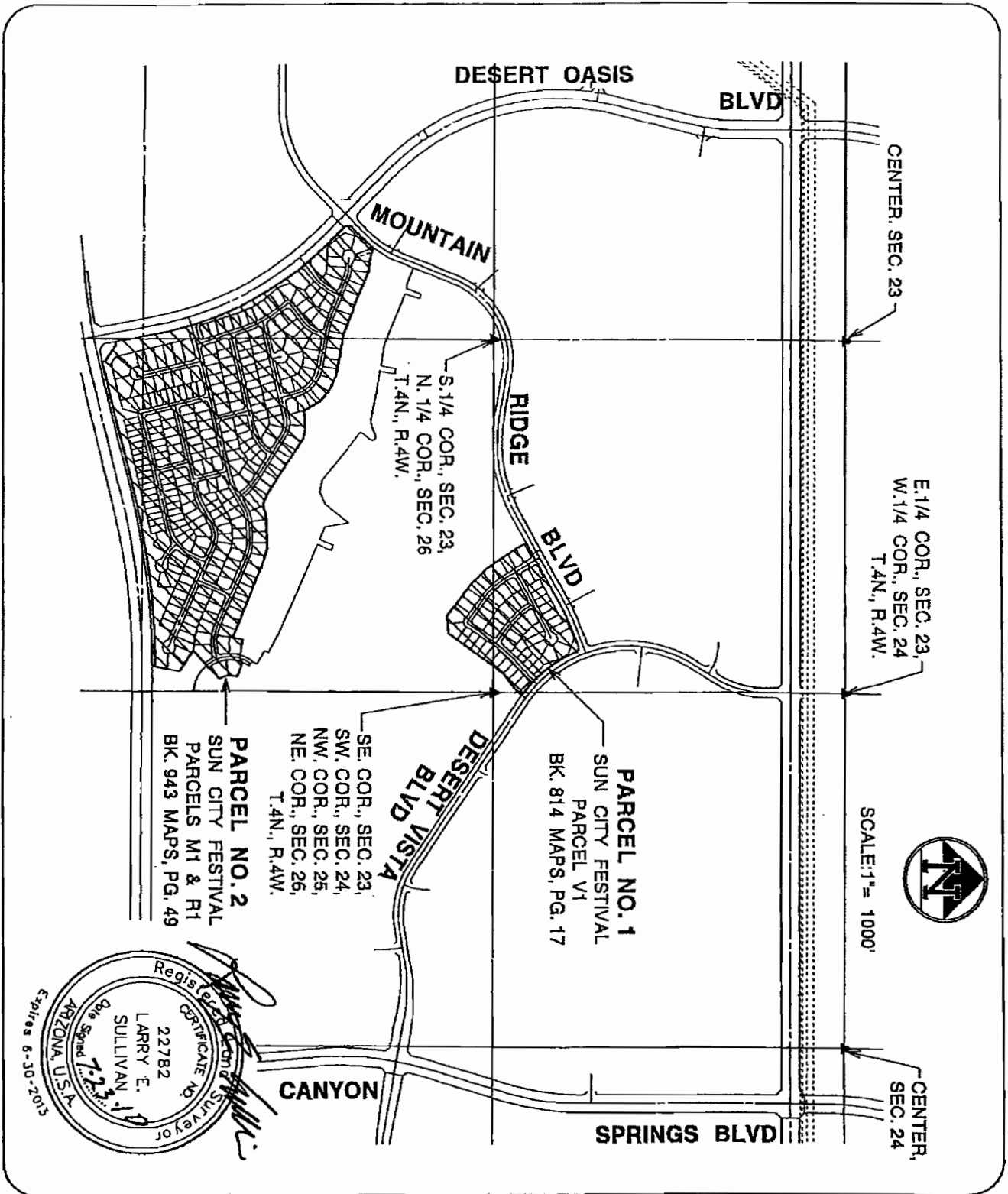
Thence North 89°37'17" West, a distance of 64.65 feet;

Thence North 00°22'43" East, a distance of 22.00 feet to the True Point of Beginning.

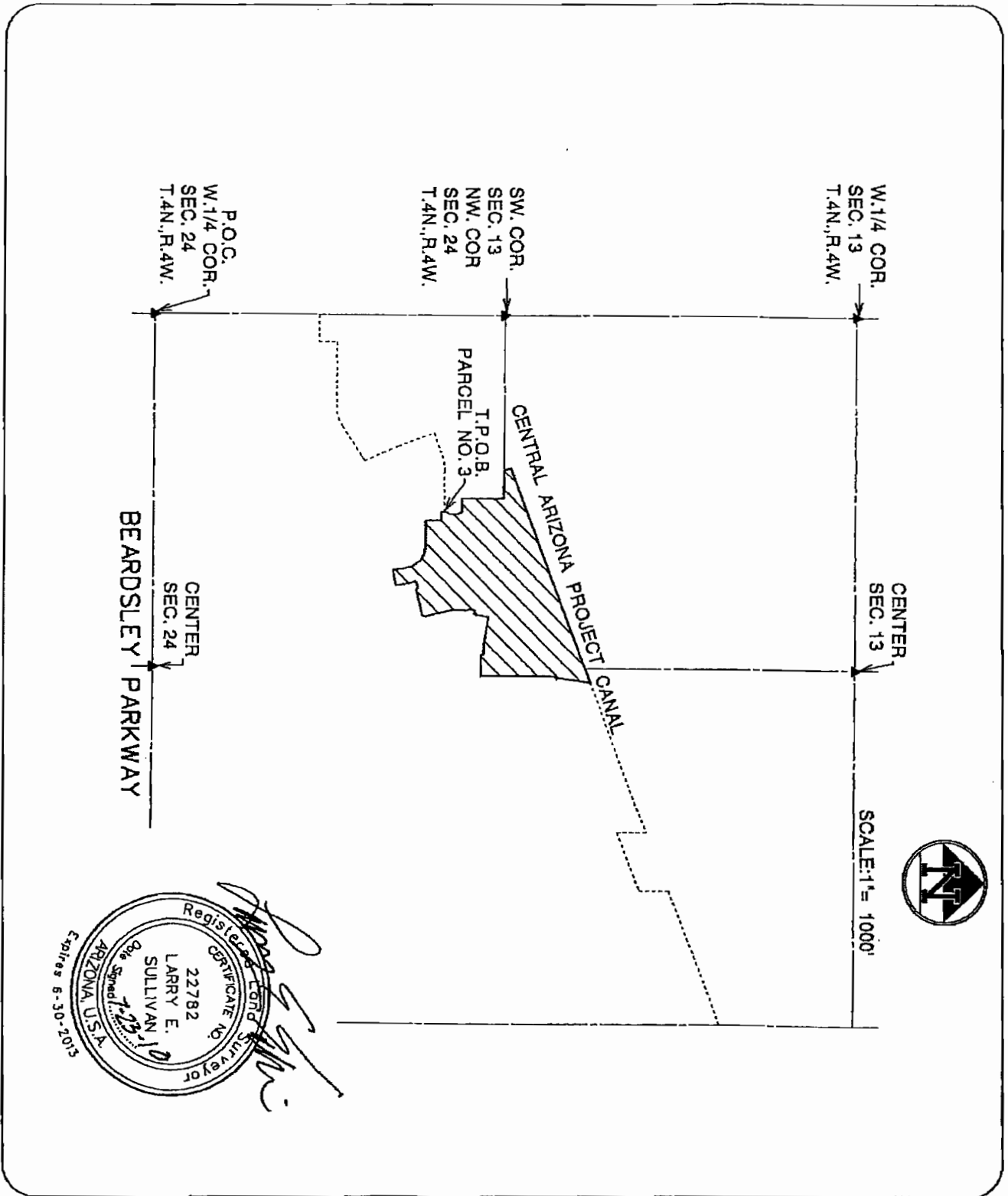


Expires: 6/30/2013





<p>EXHIBIT N:\680001\LANDEHASDIS1.DGN</p>	<p>SUN CITY FESTIVAL SPECIAL ASSESSMENT AREA NO. 7</p>	<p>JOB NO 68000801</p>
<p>4550 NORTH 12TH STREET PHOENIX, ARIZONA 85014 TELEPHONE (602) 264-6831</p>	<p>COE & VAN LOO PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE</p>	<p>SHEET 1 OF 2</p>



Registered Professional Engineer
 LARRY E. SULLIVAN
 22782
 State of Arizona
 Expires 6-30-2023

EXHIBIT N:\680001\LAND\EHASDIS7-1.DGN	SUN CITY FESTIVAL SPECIAL ASSESSMENT AREA NO. 7	JOB NO 68000801
4550 NORTH 12TH STREET PHOENIX, ARIZONA 85014 TELEPHONE (602) 264-6831	COE & VAN LOO PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE	SHEET 2 OF 2

EXHIBIT B

PUBLIC INFRASTRUCTURE

“Public Infrastructure” means, for purposes of this Agreement, the following:

DESCRIPTION OF PUBLIC INFRASTRUCTURE

<u>Parcel</u>	<u>No. of Lots</u>	<u>Est. Street Improvements</u>	<u>Street Names</u>	<u>Linear Feet</u>	<u>Estimated Date of Completion</u>
V1	57	\$357,836	268th Ave., Pontiac St., 267 th Lane, Yukon Dr.	2100	Completed in Oct 2007
L1	93	\$276,981	Vista North Dr., Tina Lane, 263 rd Court, 263 rd Dr., Cat Balue Dr., 265 th Dr.,	3942	March 2011
M1	145	\$539,305	271 st Lane, Behrend Dr., 271 st Ave., Tonto Lane, Sequoia Dr., 270 th Dr., Oraibi Dr., 270 th Lane	7685	December 2010
	<u>295</u>	<u>\$1,174,122</u>		<u>13,727</u>	

When recorded return to:
Mr. Scott W. Ruby
Gust Rosenfeld P.L.C.
201 E. Washington Street, Suite 800
Phoenix, Arizona 85004-2327

**FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
WAIVER AND DEVELOPMENT AGREEMENT
PERTAINING TO THE TO BE FORMED ASSESSMENT DISTRICT NO. 7**

This Festival Ranch Community Facilities District (Town of Buckeye, Arizona) Waiver and Development Agreement Pertaining to the proposed formation of Assessment District No. 7, is dated 1-17-11, 2010 (the "*Agreement*") by and among Festival Ranch Community Facilities District (Town of Buckeye, Arizona) (the "*District*"), and the undersigned owners of Lot number 41 of Sun City Festival Parcel V1, recorded in Book 814 of Maps, Page 17, Records of Maricopa County, Arizona and located within the District (or holders of options or contracts to purchase land within the District) (collectively referred to as "*Interested Parties*").

WHEREAS, the Town of Buckeye, Arizona, an Arizona municipal corporation (the "*Town*") 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*"), Pulte intends to request the District to form assessment district number 7 (the "*Assessment District*") comprised of Lots 1 through 57, inclusive of Sun City Festival Parcel V1, recorded in Book 814 of Maps, Page 17, Records of Maricopa County, Arizona Lots 1-98,148,149,169-178 and 258-292 inclusive of Sun City Festival Parcel M1, recorded in Book 943 of Maps, Page 49, Records of Maricopa County, Arizona, and Lots 1 through 93, inclusive of Sun City Festival, legal description is further described and depicted in Exhibit A attached hereto (the "*Property*") for the purpose of providing financing for 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 shall be bound by the terms, waivers and agreements set forth in this Agreement and bound by the Assessments (as defined hereafter) recorded against the Property; and

WHEREAS, the proposed public infrastructure purposes to be provided by the Assessment District shall consist of:

A. Acquisition, installation and/or construction 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, installation and construction 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 and collection of the assessment and, if issued, the costs of issuance and sale of the Assessment District bonds;

C. Capitalized interest on such assessments or Assessment District bonds, if any, for a period not to exceed the aggregate time for completion of all construction of and acquisition of the public infrastructure listed above, plus six months thereafter; and

D. A debt service reserve fund created for such assessments or Assessment District bonds.

Collectively, the construction and 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

NOW, THEREFORE, the Interested Parties 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 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, Scope of Work and Assessment.

(i) The Interested Parties have reviewed or have had the opportunity and right to review the boundaries of the Assessment District, 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 lots comprising the Property within the Assessment District on the basis of \$2,000 per lot. The Interested Parties agree that the Engineer's Estimate of the costs of the Work is \$1,174,122 provided, however only that portion of the Engineer's Estimate equal to \$2,000 times the total number of lots in the Assessment District shall be assessed to the lots in the Assessment District.

(ii) This Agreement shall be construed to be an express consent by the Interested Parties 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; (b) the District and the Assessment District may incur costs and expenses necessary to complete or acquire the Work; (c) 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 benefiting the Property in the proposed Assessment District, which was constructed, installed or performed prior to the execution hereof) and the costs of levying and collecting the assessment and, if the bonds are issued, the costs of 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 hereby agree to allow the formation of the Assessment District and to allow the Assessment District to 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 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 pursuant to § 48-590.

5. Approval of Proceedings. The Interested Parties, 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 and the levying of the Assessments against the Property.

6. Waiver. The Interested Parties, 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 or construction 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 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.

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 District with respect to the Work.

9. **Performance of the Work.** The District or the Assessment District may immediately upon collection of the Assessments or upon issuance of such Assessment District bonds, acquire, bid, construct and perform all or part of the Work.

10. **Acceptance of Assessment.** The Interested Parties agree to accept 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 provided, the Assessments on any one lot shall not exceed \$2,000; 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 consent to the recordation of the Assessments against the Property and agree upon such recording 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.

12. **Assessments to go to Bond.** Except as to any Interested Party that pays their Assessment in full prior to the return of the warrant, Assessments may or may not be paid in cash as determined by the District. With respect to Assessments not paid in cash, the Interested Parties request that a certified list of unpaid Assessments be filed after the return of the warrant and that Assessment District bonds amortizing the payment of the Assessments over not less than fifteen (15) years be issued and sold.

13. **Acceptance of Partial Assessment.** 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, so long as they own all or part of any lot comprising the Property.

14. **Waiver of Collateral Document Provisions.** The Interested Parties 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. **Payment of Maintenance Costs.** 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 improvements.

16. **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.

17. **Recording.** This Agreement may be recorded in the office of the County Recorder of Maricopa County, Arizona.

18. **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.

19. **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.

20. **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 supersedes all previous written or oral agreements or understandings regarding the subject matter of this Agreement.

21. **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 need 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 assessment lien, established by the district, encumbering the Property.

[SIGNATURE PAGES TO FOLLOW]

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Los Angeles }

On January 21, 2011 before me, Karina Carranza Notary Public,
Date Here Insert Name and Title of the Officer

personally appeared Garry Kim Force and Susan Beverly Force
Name(s) of Signer(s)

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.

WITNESS my hand and official seal.

Signature: Karina Carranza
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document Festival Ranch Community Facilities District Council of Buckeye, Arizona

Title or Type of Document: Waiver and Development Agreement, Pertaining to the

Document Date: January 21, 2011 Number of Pages: 7

Signer(s) Other Than Named Above: no other signers

Capacity(ies) Claimed by Signer(s)

Signer's Name: Garry Kim Force

Signer's Name: Susan Beverly Force

Corporate Officer — Title(s): _____

Corporate Officer — Title(s): _____

Individual

Individual

Partner — Limited General

Partner — Limited General

Attorney in Fact

Attorney in Fact

Trustee

Trustee

Guardian or Conservator

Guardian or Conservator

Other: _____

Other: _____

Signer Is Representing: _____

Signer Is Representing: _____



INTERESTED PARTIES:

By: Susan B. Force

Printed Name: Susan B. Force

Date: 1-21-2011

Lot: 04144

By: Garry Kim Force

Printed Name: Garry Kim Force

Date: 1-21-2011

Lot: 04144

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2010, by _____.

(Seal and Expiration Date)

Notary Public

Please see acknowledgment

STATE OF _____)
) ss.
COUNTY OF _____)

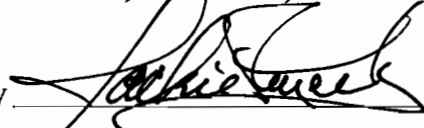
The foregoing instrument was acknowledged before me this _____ day of _____, 2010, by _____.

(Seal and Expiration Date)

Notary Public

ACCEPTED:

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

By 
Its: Chairman

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

The foregoing instrument was acknowledged before me this 16th day of September, 2010 by Jackie A. Meek the Chairman of Festival Ranch Community Facilities District (Town of Buckeye, Arizona).

(Seal and Expiration Date) 01-18-2014

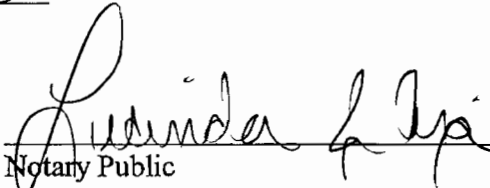

Notary Public

EXHIBIT A

LEGAL DESCRIPTION
and
MAP

(see attached)

July 23, 2010

LEGAL DESCRIPTION FOR
SUN CITY FESTIVAL
SPECIAL ASSESSMENT AREA No. 7

Parcel No. 1

Lots 1 through 57, inclusive, of Sun City Festival Parcel V1, recorded in Book 814 of Maps, Page 17, Records of Maricopa County, Arizona.

Parcel No. 2

Lots 1 through 98, inclusive, 148, 149, 169 through 178, inclusive, and 258 through 292, inclusive, of Sun City Festival Parcels M1 & R1, recorded in Book 943 of Maps, Page 49, Records of Maricopa County, Arizona.

Parcel No. 3

That part of the South Half of Section 13 and the North Half of Section 24, Township 4 North, Range 4 West, of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the G.L.O. Brass Cap marking the West Quarter Corner of said Section 24, from which the G.L.O. Brass Cap marking the Southwest Corner of said Section 24 bears South 00°23'31" West, a distance of 2,640.13 feet;

Thence North 00°22'48" East, along the West line Northwest Quarter of said Section 24, a distance of 1,256.00 feet;

Thence South 89°36'38" East, departing said West line, a distance of 202.00 feet;

Thence North 00°22'48" East, a distance of 132.00 feet;

Thence South 89°36'38" East, a distance of 476.10 feet to the beginning of a tangent curve of 300.00 foot radius, concave Northwesterly;

Thence Northeasterly, along said curve, through a central angle of 32°27'10", a distance of 169.93 feet;

Thence North 57°56'12" East, a distance of 275.62 feet to the beginning of a tangent curve of 300.00 foot radius, concave Southeasterly;

Thence Northeasterly, along said curve, through a central angle of 06°35'56", a distance of 34.55 feet;



Legal Description for
Sun City Festival
Special Assessment Arca No. 7
July 23, 2010

Thence North 25°27'52" West, a distance of 142.50 feet to the beginning of a tangent curve of 1,500.00 foot radius, concave Northeasterly;

Thence Northwesterly, along said curve, through a central angle of 04°55'57", a distance of 129.13 feet;

Thence North 20°31'55" West, a distance of 282.74 feet;

Thence North 69°28'05" East, a distance of 151.65 feet to the beginning of a tangent curve of 400.00 foot radius, concave Southeasterly;

Thence Northeasterly, along said curve, through a central angle of 20°54'38", a distance of 145.98 feet;

Thence South 89°37'17" East, a distance of 307.28 feet to the True Point of Beginning;

Thence North 00°22'43" East, a distance of 22.00 feet;
Thence North 45°22'43" East, a distance of 21.21 feet;
Thence North 00°22'43" East, a distance of 75.00 feet;
Thence North 26°11'11" West, a distance of 22.36 feet;
Thence North 89°37'17" West, a distance of 105.00 feet;

Thence North 00°22'43" East, a distance of 319.00 feet to a point on the North line of the Northwest Quarter of said Section 24;

Thence North 89°37'17" West, along said North line, a distance of 210.22 feet;

Thence North 20°32'23" West, departing said North line, a distance of 55.02 feet to a point on the Southerly right-of-way line for the Central Arizona Project Canal;

Thence North 69°27'37" East, along said Southerly right-of-way line, a distance of 1,596.23 feet to a point on the North South mid-section line of Section 13;

Thence North 69°27'38" East, along said Southerly right-of-way line, a distance of 104.88 feet;

Thence South 07°39'01" West, a distance of 245.00 feet;

Thence South 55°27'32" East, a distance of 22.42 feet to a point on a 522.00 foot radius non-tangent curve, whose center bears South 09°09'21" West;

Thence Northwesterly, along said curve, through a central angle of 02°11'44", a distance of 20.00 feet;

Thence South 14°26'19" West, a distance of 44.41 feet;



Legal Description for
Sun City Festival
Special Assessment Area No. 7
July 23, 2010

Thence South $00^{\circ}24'03''$ West, a distance of 534.32 feet;
Thence North $87^{\circ}48'12''$ West, a distance of 154.54 feet;
Thence North $25^{\circ}05'34''$ West, a distance of 22.27 feet;
Thence North $89^{\circ}00'44''$ West, a distance of 64.57 feet;
Thence North $80^{\circ}19'53''$ West, a distance of 210.00 feet;
Thence South $09^{\circ}40'07''$ West, a distance of 110.00 feet;
Thence North $80^{\circ}19'53''$ West, a distance of 35.81 feet;
Thence South $09^{\circ}40'07''$ West, a distance of 44.00 feet;
Thence South $35^{\circ}19'53''$ East, a distance of 21.21 feet;

Thence South $09^{\circ}40'07''$ West, a distance of 17.21 feet to the beginning of a tangent curve of 272.00 foot radius, concave Easterly;

Thence Southerly, along said curve, through a central angle of $22^{\circ}11'35''$, a distance of 105.36 feet;

Thence South $12^{\circ}31'28''$ East, a distance of 201.94 feet to a point on the Northerly Boundary for Sun City Festival - Parcels P1 & I1 recorded in Book 961 of Maps, Page 46, Maricopa County Records;

Thence along said Northerly Boundary the following courses:

Thence South $32^{\circ}28'32''$ West, a distance of 21.21 feet;
Thence South $77^{\circ}28'32''$ West, a distance of 190.40 feet;
Thence North $60^{\circ}48'53''$ West, a distance of 22.40 feet;

Thence South $70^{\circ}53'42''$ West, a distance of 44.00 feet to a point on a 278.00 foot radius non-tangent curve, whose center bears South $70^{\circ}53'42''$ West;

Thence Southeasterly, along said curve, through a central angle of $09^{\circ}37'27''$, a distance of 46.70 feet;

Thence South $09^{\circ}28'51''$ East, a distance of 105.83 feet;

Thence South $80^{\circ}31'09''$ West, departing said Northerly Boundary line, a distance of 115.00 feet;

Thence North $09^{\circ}28'51''$ West, a distance of 80.00 feet;
Thence North $14^{\circ}51'04''$ West, a distance of 72.78 feet;
Thence North $38^{\circ}23'16''$ West, a distance of 69.36 feet;
Thence North $62^{\circ}57'25''$ West, a distance of 69.36 feet;
Thence North $85^{\circ}39'03''$ West, a distance of 73.75 feet;
Thence North $89^{\circ}37'17''$ West, a distance of 160.00 feet;
Thence North $00^{\circ}22'43''$ East, a distance of 115.00 feet;



Legal Description for
Sun City Festival
Special Assessment Area No. 7
July 23, 2010

Thence North 89°37'17" West, a distance of 64.65 feet;

Thence North 00°22'43" East, a distance of 22.00 feet to the True Point of Beginning.



Expires: 8/30/2013

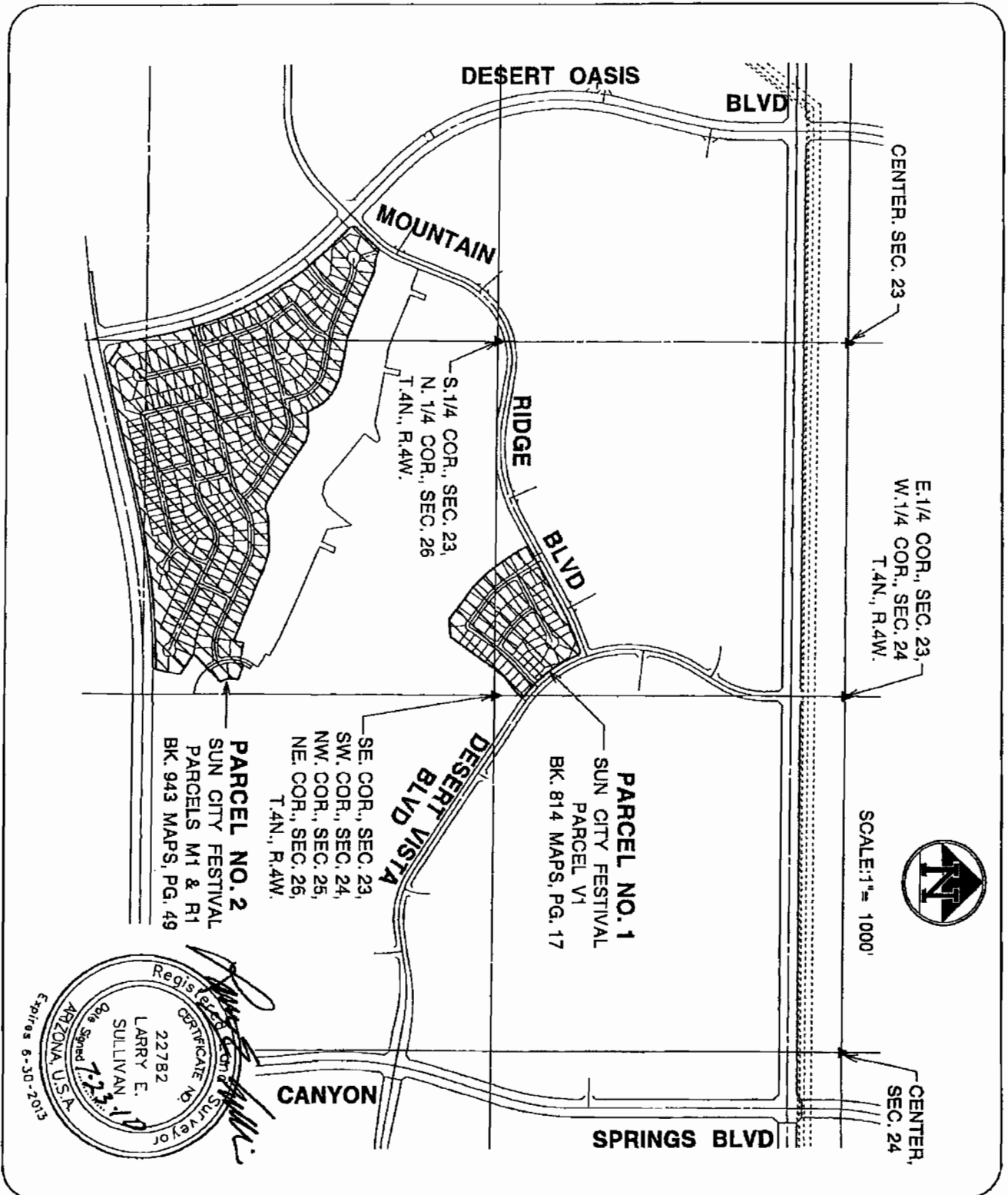


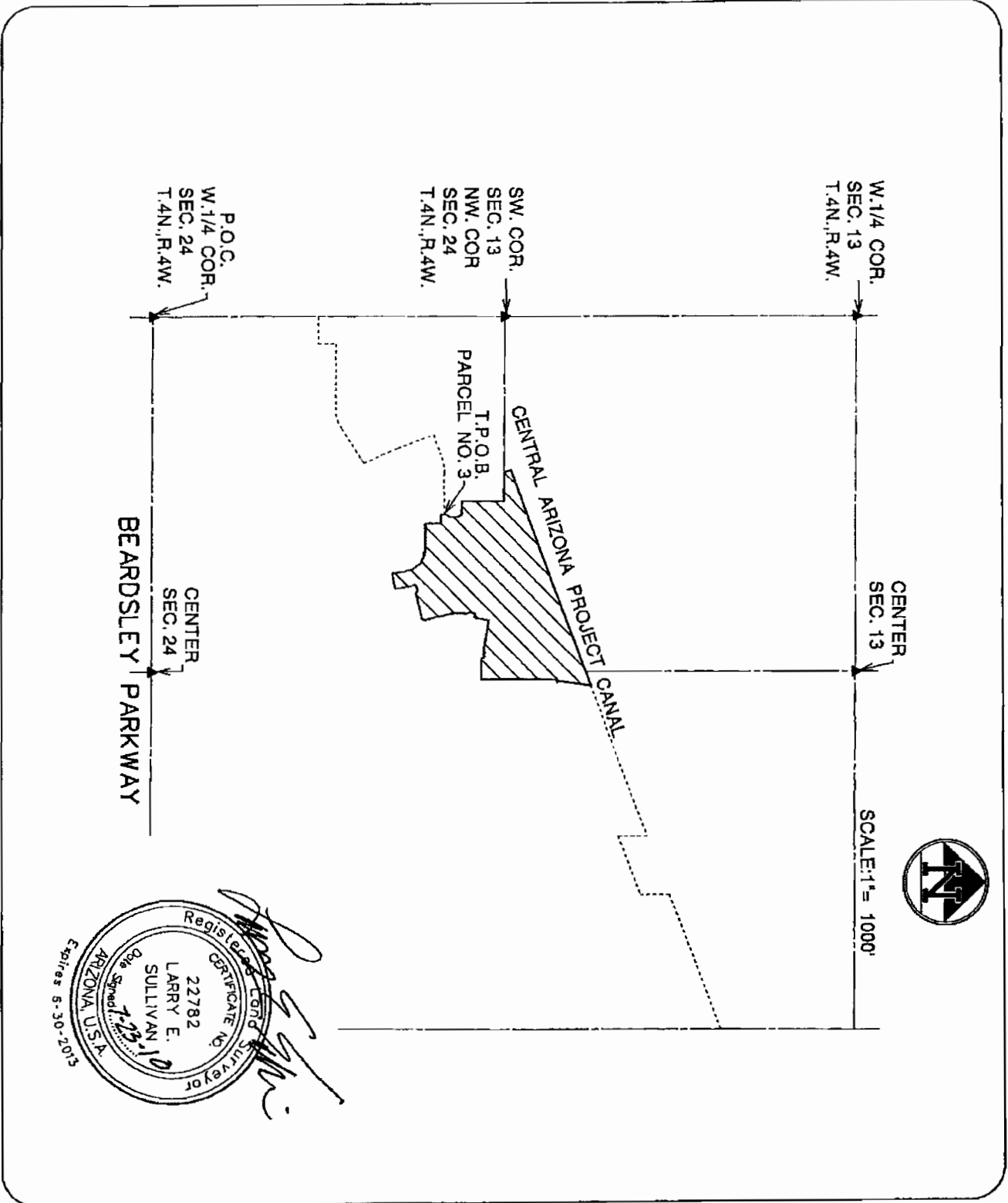
EXHIBIT
 N:\680001\LAND\EHASDIS1.DGN
 4550 NORTH 12TH STREET
 PHOENIX, ARIZONA 85014
 TELEPHONE (602) 264-6831

**SUN CITY FESTIVAL
 SPECIAL ASSESSMENT AREA NO. 7**

COE & VAN LOO
 PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE

JOB NO
 68000801

SHEET
 1 OF 2



Registered Professional Engineer
 CERTIFICATE NO. 22782
 LARRY E. SULLIVAN
 State of ARIZONA, U.S.A.
 Expires 5-30-2013

EXHIBIT N:\680001\LAND\EHASDIS7-1.DGN	SUN CITY FESTIVAL SPECIAL ASSESSMENT AREA NO. 7	JOB NO 68000801
4550 NORTH 12TH STREET PHOENIX, ARIZONA 85014 TELEPHONE (602) 264-6831	COE & VAN LOO PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE	SHEET 2 OF 2

EXHIBIT B

PUBLIC INFRASTRUCTURE

“Public Infrastructure” means, for purposes of this Agreement, the following:

DESCRIPTION OF PUBLIC INFRASTRUCTURE

<u>Parcel</u>	<u>No. of Lots</u>	<u>Est. Street Improvements</u>	<u>Street Names</u>	<u>Linear Feet</u>	<u>Estimated Date of Completion</u>
V1	57	\$357,836	268th Ave., Pontiac St., 267 th Lane, Yukon Dr.	2100	Completed in Oct 2007
L1	93	\$276,981	Vista North Dr., Tina Lane, 263 rd Court, 263 rd Dr., Cat Balue Dr., 265 th Dr.,	3942	March 2011
M1	145	\$539,305	271 st Lane, Behrend Dr., 271 st Ave., Tonto Lane, Sequoia Dr., 270 th Dr., Oraibi Dr., 270 th Lane	7685	December 2010
	<u>295</u>	<u>\$1,174,122</u>		<u>13,727</u>	

When recorded return to:
Mr. Scott W. Ruby
Gust Rosenfeld P.L.C.
201 E. Washington Street, Suite 800
Phoenix, Arizona 85004-2327

**FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
WAIVER AND DEVELOPMENT AGREEMENT
PERTAINING TO THE TO BE FORMED ASSESSMENT DISTRICT NO. 7**

This Festival Ranch Community Facilities District (Town of Buckeye, Arizona) Waiver and Development Agreement Pertaining to the proposed formation of Assessment District No. 7, is dated 2/16/11, 2010 (the "*Agreement*") by and among Festival Ranch Community Facilities District (Town of Buckeye, Arizona) (the "*District*"), and the undersigned owners of Lot number 03344 of Sun City Festival Parcel V1, recorded in Book 814 of Maps, Page 17, Records of Maricopa County, Arizona and located within the District (or holders of options or contracts to purchase land within the District) (collectively referred to as "*Interested Parties*").

WHEREAS, the Town of Buckeye, Arizona, an Arizona municipal corporation (the "*Town*") 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*"), Pulte intends to request the District to form assessment district number 7 (the "*Assessment District*") comprised of Lots 1 through 57, inclusive of Sun City Festival Parcel V1, recorded in Book 814 of Maps, Page 17, Records of Maricopa County, Arizona Lots 1-98,148,149,169-178 and 258-292 inclusive of Sun City Festival Parcel M1, recorded in Book 943 of Maps, Page 49, Records of Maricopa County, Arizona, and Lots 1 through 93, inclusive of Sun City Festival, legal description is further described and depicted in Exhibit A attached hereto (the "*Property*") for the purpose of providing financing for 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 shall be bound by the terms, waivers and agreements set forth in this Agreement and bound by the Assessments (as defined hereafter) recorded against the Property; and

WHEREAS, the proposed public infrastructure purposes to be provided by the Assessment District shall consist of:

A. Acquisition, installation and/or construction 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, installation and construction 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 and collection of the assessment and, if issued, the costs of issuance and sale of the Assessment District bonds;

C. Capitalized interest on such assessments or Assessment District bonds, if any, for a period not to exceed the aggregate time for completion of all construction of and acquisition of the public infrastructure listed above, plus six months thereafter; and

D. A debt service reserve fund created for such assessments or Assessment District bonds.

Collectively, the construction and 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

NOW, THEREFORE, the Interested Parties 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 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, Scope of Work and Assessment.

(i) The Interested Parties have reviewed or have had the opportunity and right to review the boundaries of the Assessment District, 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 lots comprising the Property within the Assessment District on the basis of \$2,000 per lot. The Interested Parties agree that the Engineer's Estimate of the costs of the Work is \$1,174,122 provided, however only that portion of the Engineer's Estimate equal to \$2,000 times the total number of lots in the Assessment District shall be assessed to the lots in the Assessment District.

(ii) This Agreement shall be construed to be an express consent by the Interested Parties 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; (b) the District and the Assessment District may incur costs and expenses necessary to complete or acquire the Work; (c) 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 benefiting the Property in the proposed Assessment District, which was constructed, installed or performed prior to the execution hereof) and the costs of levying and collecting the assessment and, if the bonds are issued, the costs of 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 hereby agree to allow the formation of the Assessment District and to allow the Assessment District to 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 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 pursuant to § 48-590.

5. Approval of Proceedings. The Interested Parties, 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 and the levying of the Assessments against the Property.

6. Waiver. The Interested Parties, 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 or construction 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.

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10. **Acceptance of Assessment.** The Interested Parties agree to accept 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 provided, the Assessments on any one lot shall not exceed \$2,000; 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 consent to the recordation of the Assessments against the Property and agree upon such recording 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.

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13. **Acceptance of Partial Assessment.** 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, so long as they own all or part of any lot comprising the Property.

14. **Waiver of Collateral Document Provisions.** The Interested Parties 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.

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16. **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.

17. **Recording.** This Agreement may be recorded in the office of the County Recorder of Maricopa County, Arizona.

18. **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.

19. **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.

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21. **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 need 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 assessment lien, established by the district, encumbering the Property.

[SIGNATURE PAGES TO FOLLOW]

INTERESTED PARTIES:

By: [Signature]

Printed Name: Harold Seidman

Date: 02-06-2011

Lot: 033 44

By: [Signature]

Printed Name: Carol Seidman

Date: 02-06-2011

Lot: 033-44

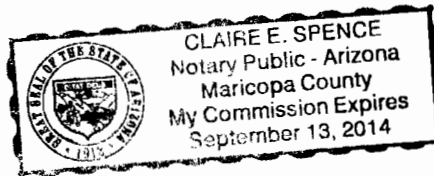
STATE OF Arizona)
) ss.
COUNTY OF Maricopa)

The foregoing instrument was acknowledged before me this Feb day of 2011, by Harold Seidman & Carol Seidman.

(Seal and Expiration Date)

[Signature]
Notary Public

STATE OF _____)
) ss.
COUNTY OF _____)



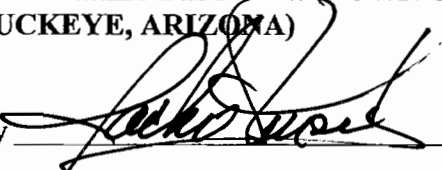
The foregoing instrument was acknowledged before me this _____ day of _____, 2010, by _____.

(Seal and Expiration Date)

Notary Public

ACCEPTED:

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

By 
Its: Chairman

STATE OF ARIZONA)
) SS.
COUNTY OF MARICOPA)



The foregoing instrument was acknowledged before me this 16th day of February, 2010 by Jackie A. Meck the Chairman of Festival Ranch Community Facilities District (Town of Buckeye, Arizona).

(Seal and Expiration Date) 01-18-2014

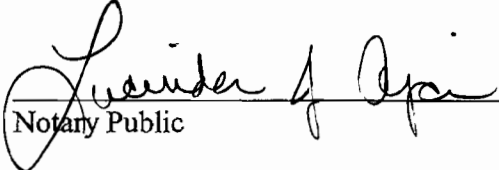

Notary Public

EXHIBIT A

LEGAL DESCRIPTION
and
MAP

(see attached)

July 23, 2010

LEGAL DESCRIPTION FOR
SUN CITY FESTIVAL
SPECIAL ASSESSMENT AREA No. 7

Parcel No. 1

Lots 1 through 57, inclusive, of Sun City Festival Parcel V1, recorded in Book 814 of Maps, Page 17, Records of Maricopa County, Arizona.

Parcel No. 2

Lots 1 through 98, inclusive, 148, 149, 169 through 178, inclusive, and 258 through 292, inclusive, of Sun City Festival Parcels M1 & R1, recorded in Book 943 of Maps, Page 49, Records of Maricopa County, Arizona.

Parcel No. 3

That part of the South Half of Section 13 and the North Half of Section 24, Township 4 North, Range 4 West, of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the G.L.O. Brass Cap marking the West Quarter Corner of said Section 24, from which the G.L.O. Brass Cap marking the Southwest Corner of said Section 24 bears South $00^{\circ}23'31''$ West, a distance of 2,640.13 feet;

Thence North $00^{\circ}22'48''$ East, along the West line Northwest Quarter of said Section 24, a distance of 1,256.00 feet;

Thence South $89^{\circ}36'38''$ East, departing said West line, a distance of 202.00 feet;

Thence North $00^{\circ}22'48''$ East, a distance of 132.00 feet;

Thence South $89^{\circ}36'38''$ East, a distance of 476.10 feet to the beginning of a tangent curve of 300.00 foot radius, concave Northwesterly;

Thence Northeasterly, along said curve, through a central angle of $32^{\circ}27'10''$, a distance of 169.93 feet;

Thence North $57^{\circ}56'12''$ East, a distance of 275.62 feet to the beginning of a tangent curve of 300.00 foot radius, concave Southeasterly;

Thence Northeasterly, along said curve, through a central angle of $06^{\circ}35'56''$, a distance of 34.55 feet;



Legal Description for
Sun City Festival
Special Assessment Area No. 7
July 23, 2010

Thence North 25°27'52" West, a distance of 142.50 feet to the beginning of a tangent curve of 1,500.00 foot radius, concave Northeasterly;

Thence Northwesterly, along said curve, through a central angle of 04°55'57", a distance of 129.13 feet;

Thence North 20°31'55" West, a distance of 282.74 feet;

Thence North 69°28'05" East, a distance of 151.65 feet to the beginning of a tangent curve of 400.00 foot radius, concave Southeasterly;

Thence Northeasterly, along said curve, through a central angle of 20°54'38", a distance of 145.98 feet;

Thence South 89°37'17" East, a distance of 307.28 feet to the True Point of Beginning;

Thence North 00°22'43" East, a distance of 22.00 feet;

Thence North 45°22'43" East, a distance of 21.21 feet;

Thence North 00°22'43" East, a distance of 75.00 feet;

Thence North 26°11'11" West, a distance of 22.36 feet;

Thence North 89°37'17" West, a distance of 105.00 feet;

Thence North 00°22'43" East, a distance of 319.00 feet to a point on the North line of the Northwest Quarter of said Section 24;

Thence North 89°37'17" West, along said North line, a distance of 210.22 feet;

Thence North 20°32'23" West, departing said North line, a distance of 55.02 feet to a point on the Southerly right-of-way line for the Central Arizona Project Canal;

Thence North 69°27'37" East, along said Southerly right-of-way line, a distance of 1,596.23 feet to a point on the North South mid-section line of Section 13;

Thence North 69°27'38" East, along said Southerly right-of-way line, a distance of 104.88 feet;

Thence South 07°39'01" West, a distance of 245.00 feet;

Thence South 55°27'32" East, a distance of 22.42 feet to a point on a 522.00 foot radius non-tangent curve, whose center bears South 09°09'21" West;

Thence Northwesterly, along said curve, through a central angle of 02°11'44", a distance of 20.00 feet;

Thence South 14°26'19" West, a distance of 44.41 feet;



Legal Description for
Sun City Festival
Special Assessment Area No. 7
July 23, 2010

Thence South 00°24'03" West, a distance of 534.32 feet;
Thence North 87°48'12" West, a distance of 154.54 feet;
Thence North 25°05'34" West, a distance of 22.27 feet;
Thence North 89°00'44" West, a distance of 64.57 feet;
Thence North 80°19'53" West, a distance of 210.00 feet;
Thence South 09°40'07" West, a distance of 110.00 feet;
Thence North 80°19'53" West, a distance of 35.81 feet;
Thence South 09°40'07" West, a distance of 44.00 feet;
Thence South 35°19'53" East, a distance of 21.21 feet;

Thence South 09°40'07" West, a distance of 17.21 feet to the beginning of a tangent curve of 272.00 foot radius, concave Easterly;

Thence Southerly, along said curve, through a central angle of 22°11'35", a distance of 105.36 feet;

Thence South 12°31'28" East, a distance of 201.94 feet to a point on the Northerly Boundary for Sun City Festival - Parcels P1 & II recorded in Book 961 of Maps, Page 46, Maricopa County Records;

Thence along said Northerly Boundary the following courses:

Thence South 32°28'32" West, a distance of 21.21 feet;
Thence South 77°28'32" West, a distance of 190.40 feet;
Thence North 60°48'53" West, a distance of 22.40 feet;

Thence South 70°53'42" West, a distance of 44.00 feet to a point on a 278.00 foot radius non-tangent curve, whose center bears South 70°53'42" West;

Thence Southeasterly, along said curve, through a central angle of 09°37'27", a distance of 46.70 feet;

Thence South 09°28'51" East, a distance of 105.83 feet;

Thence South 80°31'09" West, departing said Northerly Boundary line, a distance of 115.00 feet;

Thence North 09°28'51" West, a distance of 80.00 feet;
Thence North 14°51'04" West, a distance of 72.78 feet;
Thence North 38°23'16" West, a distance of 69.36 feet;
Thence North 62°57'25" West, a distance of 69.36 feet;
Thence North 85°39'03" West, a distance of 73.75 feet;
Thence North 89°37'17" West, a distance of 160.00 feet;
Thence North 00°22'43" East, a distance of 115.00 feet;



Legal Description for
Sun City Festival
Special Assessment Area No. 7
July 23, 2010

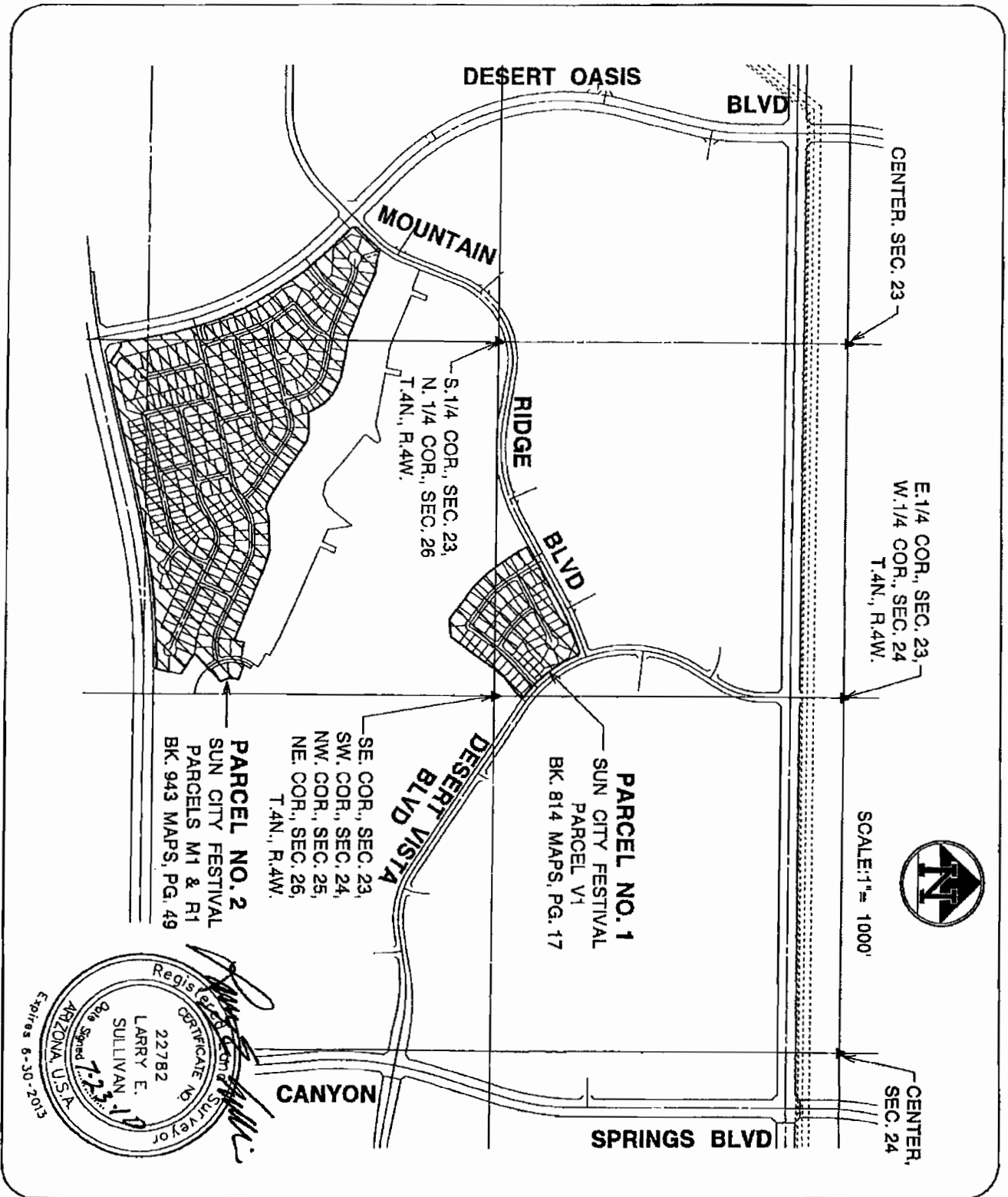
Thence North $89^{\circ}37'17''$ West, a distance of 64.65 feet;

Thence North $00^{\circ}22'43''$ East, a distance of 22.00 feet to the True Point of Beginning.



Expires: 6/30/2013



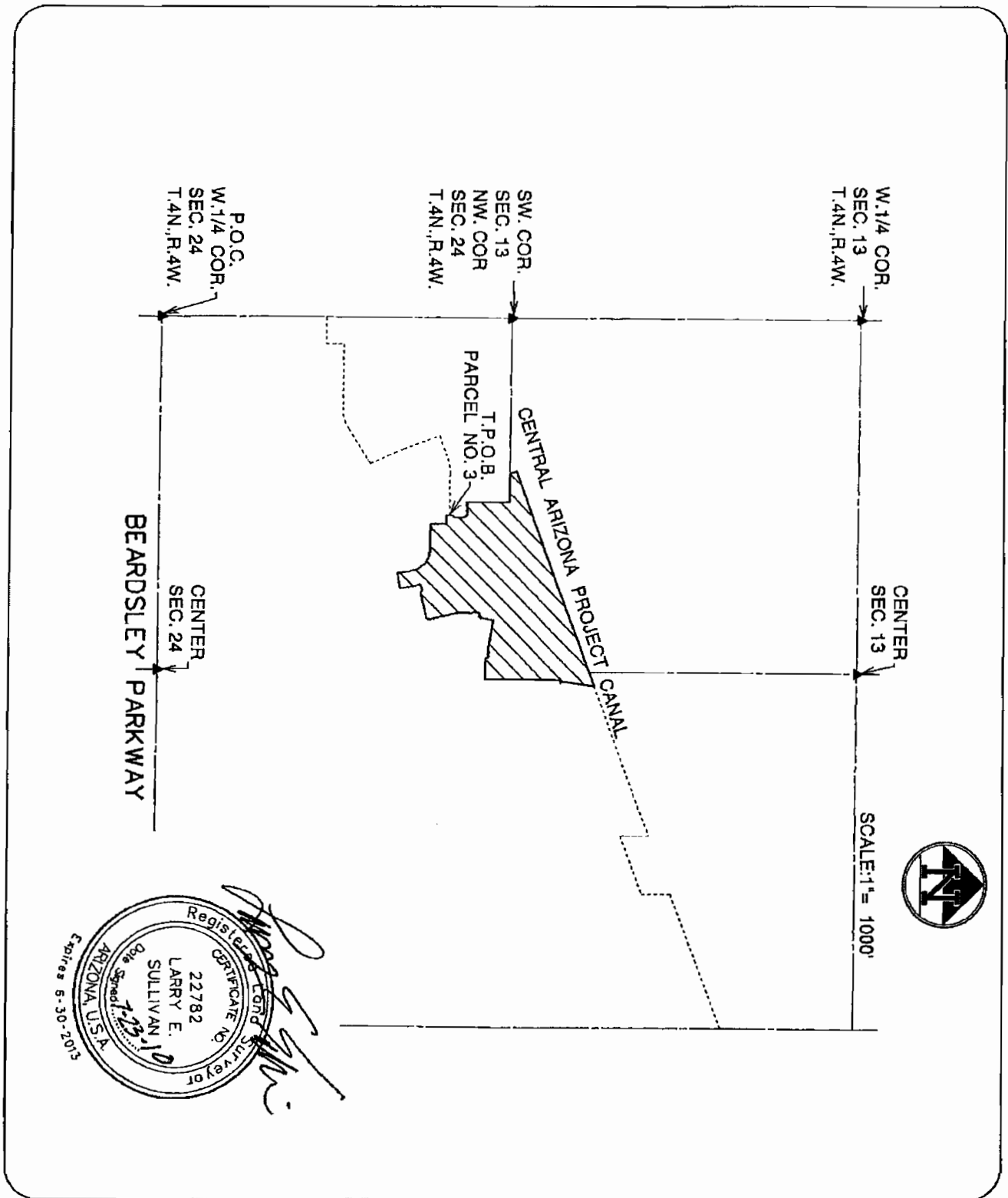


Registered Professional Surveyor or
 ARIZONA U.S.A.
 22782
 LARRY E. SULLIVAN
 Date Signed 7-23-10
 Expires 6-30-2012

EXHIBIT
 N:\680001\LAND\EHASDIS1.DGN
 4550 NORTH 12TH STREET
 PHOENIX, ARIZONA 85014
 TELEPHONE (602) 264-6831

**SUN CITY FESTIVAL
 SPECIAL ASSESSMENT AREA NO. 7**
COE & VAN LOO
 PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE

JOB NO
 68000801
 SHEET
 1 OF 2



<p>EXHIBIT</p> <p>N:\680001\LAND\EHASDIS7-1.DGN</p>	<p>SUN CITY FESTIVAL SPECIAL ASSESSMENT AREA NO. 7</p>	<p>JOB NO 68000801</p>
<p>4550 NORTH 12TH STREET PHOENIX, ARIZONA 85014 TELEPHONE (602) 264-6831</p>	<p>COE & VAN LOO PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE</p>	<p>SHEET 2 OF 2</p>

EXHIBIT B

PUBLIC INFRASTRUCTURE

“Public Infrastructure” means, for purposes of this Agreement, the following:

DESCRIPTION OF PUBLIC INFRASTRUCTURE

<u>Parcel</u>	<u>No. of Lots</u>	<u>Est. Street Improvements</u>	<u>Street Names</u>	<u>Linear Feet</u>	<u>Estimated Date of Completion</u>
V1	57	\$357,836	268th Ave., Pontiac St., 267 th Lane, Yukon Dr.	2100	Completed in Oct 2007
L1	93	\$276,981	Vista North Dr., Tina Lane, 263 rd Court, 263 rd Dr., Cat Balue Dr., 265 th Dr.,	3942	March 2011
M1	145	\$539,305	271 st Lane, Behrend Dr., 271 st Ave., Tonto Lane, Sequoia Dr., 270 th Dr., Oraibi Dr., 270 th Lane	7685	December 2010
	<u>295</u>	<u>\$1,174,122</u>		<u>13,727</u>	

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
2011-0211216 03/10/2011 12:30
00671800260A-16-1-1--
ELECTRONIC RECORDING

When recorded return to:
Mr. Scott W. Ruby
Gust Rosenfeld P.L.C.
201 E. Washington Street, Suite 800
Phoenix, Arizona 85004-2327

**FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
WAIVER AND DEVELOPMENT AGREEMENT
PERTAINING TO THE TO BE FORMED ASSESSMENT DISTRICT NO. 7**

This Festival Ranch Community Facilities District (Town of Buckeye, Arizona) Waiver and Development Agreement Pertaining to the proposed formation of Assessment District No. 7, is dated 12/10/10, 2010 (the "Agreement") by and among Festival Ranch Community Facilities District (Town of Buckeye, Arizona) (the "District"), and the undersigned owners of Lot number 46 of Sun City Festival Parcel V1, recorded in Book 814 of Maps, Page 17, Records of Maricopa County, Arizona and located within the District (or holders of options or contracts to purchase land within the District) (collectively referred to as "Interested Parties").

WHEREAS, the Town of Buckeye, Arizona, an Arizona municipal corporation (the "Town") 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"), Pulte intends to request the District to form assessment district number 7 (the "Assessment District") comprised of Lots 1 through 57, inclusive of Sun City Festival Parcel V1, recorded in Book 814 of Maps, Page 17, Records of Maricopa County, Arizona Lots 1-98,148,149,169-178 and 258-292 inclusive of Sun City Festival Parcel M1, recorded in Book 943 of Maps, Page 49, Records of Maricopa County, Arizona, and Lots 1 through 93, inclusive of Sun City Festival, legal description is further described and depicted in Exhibit A attached hereto (the "Property") for the purpose of providing financing for 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 shall be bound by the terms, waivers and agreements set forth in this Agreement and bound by the Assessments (as defined hereafter) recorded against the Property; and

WHEREAS, the proposed public infrastructure purposes to be provided by the Assessment District shall consist of:

A. Acquisition, installation and/or construction 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, installation and construction 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 and collection of the assessment and, if issued, the costs of issuance and sale of the Assessment District bonds;

C. Capitalized interest on such assessments or Assessment District bonds, if any, for a period not to exceed the aggregate time for completion of all construction of and acquisition of the public infrastructure listed above, plus six months thereafter; and

D. A debt service reserve fund created for such assessments or Assessment District bonds.

Collectively, the construction and 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

NOW, THEREFORE, the Interested Parties 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 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, Scope of Work and Assessment.

(i) The Interested Parties have reviewed or have had the opportunity and right to review the boundaries of the Assessment District, 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 lots comprising the Property within the Assessment District on the basis of \$2,000 per lot. The Interested Parties agree that the Engineer's Estimate of the costs of the Work is \$1,174,122 provided, however only that portion of the Engineer's Estimate equal to \$2,000 times the total number of lots in the Assessment District shall be assessed to the lots in the Assessment District.

(ii) This Agreement shall be construed to be an express consent by the Interested Parties 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; (b) the District and the Assessment District may incur costs and expenses necessary to complete or acquire the Work; (c) 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 benefiting the Property in the proposed Assessment District, which was constructed, installed or performed prior to the execution hereof) and the costs of levying and collecting the assessment and, if the bonds are issued, the costs of 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 hereby agree to allow the formation of the Assessment District and to allow the Assessment District to 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 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 pursuant to § 48-590.

5. Approval of Proceedings. The Interested Parties, 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 and the levying of the Assessments against the Property.

6. Waiver. The Interested Parties, 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 or construction 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 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.

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 District with respect to the Work.

9. **Performance of the Work.** The District or the Assessment District may immediately upon collection of the Assessments or upon issuance of such Assessment District bonds, acquire, bid, construct and perform all or part of the Work.

10. **Acceptance of Assessment.** The Interested Parties agree to accept 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 provided, the Assessments on any one lot shall not exceed \$2,000; 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 consent to the recordation of the Assessments against the Property and agree upon such recording 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.

12. **Assessments to go to Bond.** Except as to any Interested Party that pays their Assessment in full prior to the return of the warrant, Assessments may or may not be paid in cash as determined by the District. With respect to Assessments not paid in cash, the Interested Parties request that a certified list of unpaid Assessments be filed after the return of the warrant and that Assessment District bonds amortizing the payment of the Assessments over not less than fifteen (15) years be issued and sold.

13. **Acceptance of Partial Assessment.** 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, so long as they own all or part of any lot comprising the Property.

14. **Waiver of Collateral Document Provisions.** The Interested Parties 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. **Payment of Maintenance Costs.** 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 improvements.

16. **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.

17. **Recording.** This Agreement may be recorded in the office of the County Recorder of Maricopa County, Arizona.

18. **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.

19. **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.

20. **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 supersedes all previous written or oral agreements or understandings regarding the subject matter of this Agreement.

21. **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 need 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 assessment lien, established by the district, encumbering the Property.

[SIGNATURE PAGES TO FOLLOW]

INTERESTED PARTIES:

By: Thomas M. Radigan
Printed Name: THOMAS M. RADIGAN
Date: 12/16/10
Lot: 46

By: Joann F. Radigan
Printed Name: JOANN F. RADIGAN
Date: 12/16/10
Lot: 46

STATE OF CALIFORNIA)
) ss.
COUNTY OF MONTEREY)

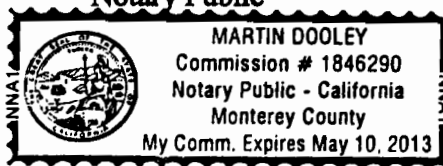
The foregoing instrument was acknowledged before me this 16th day of Dec, 2010, by THOMAS M. RADIGAN

(Seal and Expiration Date)

05/10/2013

Martin Dooley
Notary Public

Proved to me on the basis of satisfactory evidence to be the person who appeared before me. o



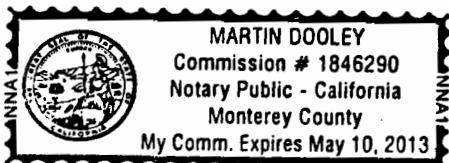
STATE OF CALIFORNIA)
) ss.
COUNTY OF MONTEREY)

The foregoing instrument was acknowledged before me this 16th day of Dec, 2010, by JOANN F. RADIGAN

(Seal and Expiration Date)

Martin Dooley
Notary Public


Proved to me on the basis of satisfactory evidence to be the person who appeared before me. o



05/10/2013

ACCEPTED:

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

By 
Its: Chairman

Date 2-16-2011

STATE OF ARIZONA)
) SS.
COUNTY OF MARICOPA)



01/18/2014

~~January~~ The foregoing instrument was acknowledged before me this 16th day of ~~January~~, 2011, by Jackie A. Meck the Chairman of Festival Ranch Community Facilities District (Town of Buckeye, Arizona).

(Seal and Expiration Date) 01-18-2014

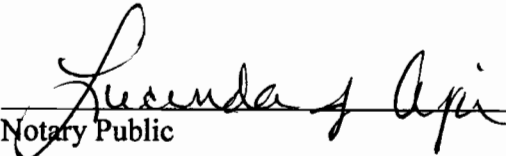

Notary Public

EXHIBIT A

**LEGAL DESCRIPTION
and
MAP**

(see attached)

July 23, 2010

LEGAL DESCRIPTION FOR
SUN CITY FESTIVAL
SPECIAL ASSESSMENT AREA No. 7

Parcel No. 1

Lots 1 through 57, inclusive, of Sun City Festival Parcel V1, recorded in Book 814 of Maps, Page 17, Records of Maricopa County, Arizona.

Parcel No. 2

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Parcel No. 3

That part of the South Half of Section 13 and the North Half of Section 24, Township 4 North, Range 4 West, of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the G.L.O. Brass Cap marking the West Quarter Corner of said Section 24, from which the G.L.O. Brass Cap marking the Southwest Corner of said Section 24 bears South $00^{\circ}23'31''$ West, a distance of 2,640.13 feet;

Thence North $00^{\circ}22'48''$ East, along the West line Northwest Quarter of said Section 24, a distance of 1,256.00 feet;

Thence South $89^{\circ}36'38''$ East, departing said West line, a distance of 202.00 feet;

Thence North $00^{\circ}22'48''$ East, a distance of 132.00 feet;

Thence South $89^{\circ}36'38''$ East, a distance of 476.10 feet to the beginning of a tangent curve of 300.00 foot radius, concave Northwesterly;

Thence Northeasterly, along said curve, through a central angle of $32^{\circ}27'10''$, a distance of 169.93 feet;

Thence North $57^{\circ}56'12''$ East, a distance of 275.62 feet to the beginning of a tangent curve of 300.00 foot radius, concave Southeasterly;

Thence Northeasterly, along said curve, through a central angle of $06^{\circ}35'56''$, a distance of 34.55 feet;



Legal Description for
Sun City Festival
Special Assessment Area No. 7
July 23, 2010

Thence North 25°27'52" West, a distance of 142.50 feet to the beginning of a tangent curve of 1,500.00 foot radius, concave Northeasterly;

Thence Northwesterly, along said curve, through a central angle of 04°55'57", a distance of 129.13 feet;

Thence North 20°31'55" West, a distance of 282.74 feet;

Thence North 69°28'05" East, a distance of 151.65 feet to the beginning of a tangent curve of 400.00 foot radius, concave Southeasterly;

Thence Northeasterly, along said curve, through a central angle of 20°54'38", a distance of 145.98 feet;

Thence South 89°37'17" East, a distance of 307.28 feet to the True Point of Beginning;

Thence North 00°22'43" East, a distance of 22.00 feet;
Thence North 45°22'43" East, a distance of 21.21 feet;
Thence North 00°22'43" East, a distance of 75.00 feet;
Thence North 26°11'11" West, a distance of 22.36 feet;
Thence North 89°37'17" West, a distance of 105.00 feet;

Thence North 00°22'43" East, a distance of 319.00 feet to a point on the North line of the Northwest Quarter of said Section 24;

Thence North 89°37'17" West, along said North line, a distance of 210.22 feet;

Thence North 20°32'23" West, departing said North line, a distance of 55.02 feet to a point on the Southerly right-of-way line for the Central Arizona Project Canal;

Thence North 69°27'37" East, along said Southerly right-of-way line, a distance of 1,596.23 feet to a point on the North South mid-section line of Section 13;

Thence North 69°27'38" East, along said Southerly right-of-way line, a distance of 104.88 feet;

Thence South 07°39'01" West, a distance of 245.00 feet;

Thence South 55°27'32" East, a distance of 22.42 feet to a point on a 522.00 foot radius non-tangent curve, whose center bears South 09°09'21" West;

Thence Northwesterly, along said curve, through a central angle of 02°11'44", a distance of 20.00 feet;

Thence South 14°26'19" West, a distance of 44.41 feet;



Legal Description for
Sun City Festival
Special Assessment Area No. 7
July 23, 2010

Thence South 00°24'03" West, a distance of 534.32 feet;
Thence North 87°48'12" West, a distance of 154.54 feet;
Thence North 25°05'34" West, a distance of 22.27 feet;
Thence North 89°00'44" West, a distance of 64.57 feet;
Thence North 80°19'53" West, a distance of 210.00 feet;
Thence South 09°40'07" West, a distance of 110.00 feet;
Thence North 80°19'53" West, a distance of 35.81 feet;
Thence South 09°40'07" West, a distance of 44.00 feet;
Thence South 35°19'53" East, a distance of 21.21 feet;

Thence South 09°40'07" West, a distance of 17.21 feet to the beginning of a tangent curve of 272.00 foot radius, concave Easterly;

Thence Southerly, along said curve, through a central angle of 22°11'35", a distance of 105.36 feet;

Thence South 12°31'28" East, a distance of 201.94 feet to a point on the Northerly Boundary for Sun City Festival - Parcels P1 & I1 recorded in Book 961 of Maps, Page 46, Maricopa County Records;

Thence along said Northerly Boundary the following courses:

Thence South 32°28'32" West, a distance of 21.21 feet;
Thence South 77°28'32" West, a distance of 190.40 feet;
Thence North 60°48'53" West, a distance of 22.40 feet;

Thence South 70°53'42" West, a distance of 44.00 feet to a point on a 278.00 foot radius non-tangent curve, whose center bears South 70°53'42" West;

Thence Southeasterly, along said curve, through a central angle of 09°37'27", a distance of 46.70 feet;

Thence South 09°28'51" East, a distance of 105.83 feet;

Thence South 80°31'09" West, departing said Northerly Boundary line, a distance of 115.00 feet;

Thence North 09°28'51" West, a distance of 80.00 feet;
Thence North 14°51'04" West, a distance of 72.78 feet;
Thence North 38°23'16" West, a distance of 69.36 feet;
Thence North 62°57'25" West, a distance of 69.36 feet;
Thence North 85°39'03" West, a distance of 73.75 feet;
Thence North 89°37'17" West, a distance of 160.00 feet;
Thence North 00°22'43" East, a distance of 115.00 feet;



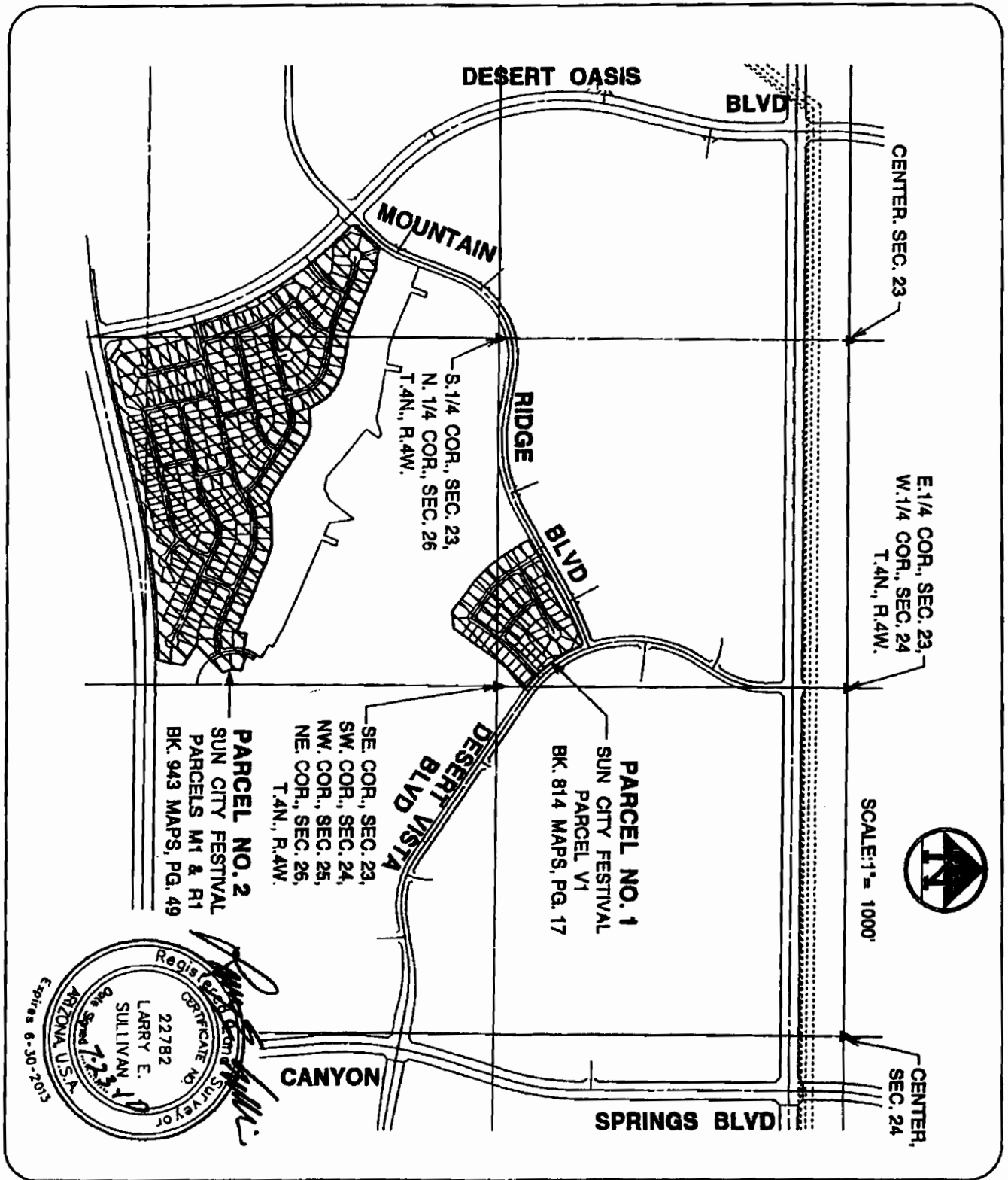
Legal Description for
Sun City Festival
Special Assessment Area No. 7
July 23, 2010

Thence North 89°37'17" West, a distance of 64.65 feet;

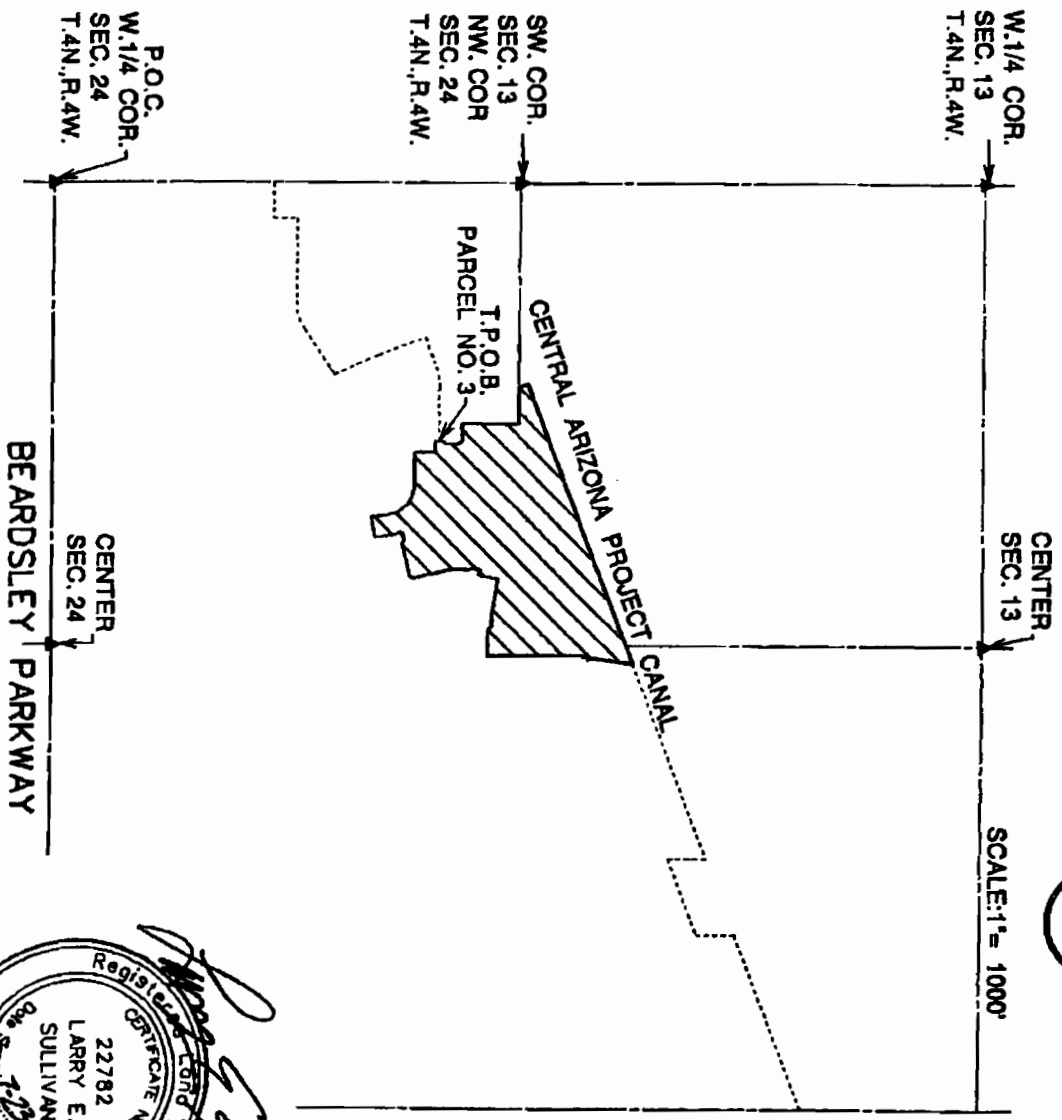
Thence North 00°22'43" East, a distance of 22.00 feet to the True Point of Beginning.



Expires: 6/30/2013



<p>EXHIBIT</p> <p>N:\680001\LAND\EHASDIS1.DGM</p>	<p>SUN CITY FESTIVAL SPECIAL ASSESSMENT AREA NO. 7</p>	<p>JOB NO 68000801</p>
<p>4550 NORTH 12TH STREET PHOENIX, ARIZONA 85014 TELEPHONE (602) 264-6831</p>	<p>COE & VAN LOO PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE</p>	<p>SHEET 1 of 2</p>



Registered Professional Engineer
 CERTIFICATE NO. 22782
 LARRY E. SULLIVAN
 State of Arizona
 Expires 8-30-2007

EXHIBIT N:\680001\LANOV\HASD187-1.DGN	SUN CITY FESTIVAL SPECIAL ASSESSMENT AREA NO. 7	JOB NO 68000801
4550 NORTH 12TH STREET PHOENIX, ARIZONA 85014 TELEPHONE (602) 264-6831	COE & VAN LOO PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE	SHEET 2 OF 2

EXHIBIT B

PUBLIC INFRASTRUCTURE

"Public Infrastructure" means, for purposes of this Agreement, the following:

DESCRIPTION OF PUBLIC INFRASTRUCTURE

Parcel	No. of Lots	Est. Street Improvements	Street Names	Linear Feet	Estimated Date of Completion
V1	57	\$357,836	268th Ave., Pontiac St., 267 th Lane, Yukon Dr.	2100	Completed in Oct 2007
L1	93	\$276,981	Vista North Dr., Tina Lane, 263 rd Court, 263 rd Dr., Cat Balue Dr., 265 th Dr.,	3942	March 2011
M1	145	\$539,305	271 st Lane, Behrend Dr., 271 st Ave., Tonto Lane, Sequoia Dr., 270 th Dr., Oraibi Dr., 270 th Lane	7685	December 2010
	<u>295</u>	<u>\$1,174,122</u>		<u>13,727</u>	

**PLEASE SILENCE ALL ELECTRONIC COMMUNICATION DEVICES (INCLUDING CELL PHONES/PAGERS) BEFORE THE MEETING IS CALLED TO ORDER.
THANK YOU.**

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

**JOINT MEETING
OF THE COMMUNITY FACILITIES DISTRICTS TOWN OF BUCKEYE, ARIZONA
PURSUANT TO SECTIONS 48-711, 48-715 AND TITLE 38, CHAPTER 3, ARTICLE 3.1
ARIZONA REVISED STATUTES, AS AMENDED, TAKE NOTICE THAT A JOINT MEETING
OF THE
GOVERNING BOARDS OF
ANTHEM SUN VALLEY COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE)
ELIANTO COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE)
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE)
MIRIELLE COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE)
SUNDANCE COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE)
TARTESSO WEST COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE)
TRILLIUM COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE)
VERRADO DISTRICT 1 COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE)
VERRADO WESTERN OVERLAY CFD (TOWN OF BUCKEYE)
WATSON ROAD COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE) and
WESTPARK COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE)**

JANUARY 18, 2011

AGENDA

**Town 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. Approval of Meeting Minutes for October 19, 2010 for the following Community Facilities Districts:

Anthem Sun Valley Community Facilities District Meeting
Elianto Community Facilities District Meeting Minutes
Mirielle Community Facilities District Meeting Minutes
Sundance Community Facilities District Meeting Minutes
Tartesso West Community Facilities District Meeting Minutes
Trillium Community Facilities District Meeting Minutes
Verrado District 1 Community Facilities District Meeting Minutes
Verrado Western Overlay Community Facilities District Meeting Minutes
Watson Road Community Facilities District Meeting Minutes
Westpark Community Facilities District Meeting Minutes; and,

Approval of Meeting Minutes for December 7, 2010 for the following Community Facilities District:

Festival Ranch Community Facilities District
Board Action: Motion to approve.

3. Approval/Ratify Expenditures
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
Board Action: Motion to approve.

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

5. Festival Ranch Community Facilities District
5A. Resolution No. 01-11 of the Board of Directors of Festival Ranch Community Facilities District (Town of Buckeye, Arizona) Approving the Levying of an Assessment and Assessment Diagram for the Festival Ranch Community Facilities District (Town of Buckeye, Arizona)
Board to adopt Resolution No. 01-11 approving the levying of an assessment and assessment diagram for the Festival Ranch Community Facilities District (Town of Buckeye, Arizona).
Board Action: Motion to approve.

5B. Resolution No. 02-11 of the Board of Directors of Festival Ranch Community Facilities District (Town of Buckeye, Arizona) Authorizing the Issuance of its Assessment District No. 7 Special Assessment Revenue Bonds, Series 2011, in the Aggregate Principal Amount of Not to Exceed \$404,000; Approving the Form and Authorizing the Execution and Delivery of an Indenture of Trust and Security Agreement, a Purchase Contract Relating to the Bonds, a Continuing Disclosure Undertaking, a Dissemination Agenda Agency and Certain other Documents Securing the Payment of or Relating to the Bonds; Awarding the Bonds to the Purchaser Thereof; and taking other Actions Securing the Payment of and Relating to the Bonds.
Board to adopt Resolution No. 02-11 authorizing the issuance of Festival Ranch Community Facilities District's Special Assessment Revenue Bonds in the amount not to exceed \$404,000; approving form and authorizing execution and delivery of related documents; awarding the bonds to the purchaser thereof.
Board Action: Motion to approve.

6. Adjournment
Board Action: Motion to adjourn.

**TOWN OF BUCKEYE
REGULAR COUNCIL MEETING
JANUARY 18, 2011**

MINUTES

**Town Council Chambers
530 E. Monroe Ave.
Buckeye, AZ 85326
6:00 p.m.**

1. Call to Order/Invocation/ Pledge of Allegiance/Roll Call

Mayor Meck called the meeting to order at 6:00 p.m. Pastor Richard Burrell, Mt. Pleasant Church led the invocation.

Members Present: Councilmember Garza, Councilmember Strauss, Councilmember May, Councilmember Orsborn, Councilmember Heustis, Vice Mayor McAchran, and Mayor Meck.

Members Absent: None.

Departments Present: Town Manager Stephen Cleveland, Town Attorney Scott Ruby, Town Clerk Lucinda Aja, Deputy Town Clerk Deborah Harrell, Assistant to Council Carol Conley, Economic Development Coordinator Cheryl Covert, Information Technology Director Dee Hathaway, Administrative Services Director David Johnson, Human Resources Director Nancy Love, Public Works Director Scott Lowe, Interim Water Resources Director Dave Nigh, Police Chief Mann, Finance Director Larry Price, Community Services Director Cheryl Sedig and Town Engineer/Development Services Director Woody Scoutten.

2A. Comments from the Public – Mr. Charles Waters spoke regarding the Sundance Funraiser stating the turnout was a success with approximately three hundred people including one hundred forty-four golfers and fifty volunteers with a revenue of approximately \$16,000.

2B. Awards/Presentations/Proclamations

Mayor Meck acknowledged and thanked Mrs. Alice Charman and Mrs. Annette Napolitano for their combined service to the Town of approximately 50 years. Mayor Meck acknowledged and thanked members of Boards and Commissions Advisory Boards with expired terms as follows:

Community Services Advisory Board – Hank Newberry and Thomas Campanella

Library Advisory Board – Alice Charman

Planning and Zoning Commission – Annette Napolitano, David Argano, and Betty Villa

Social Services Advisory Board – Julia Johnson and Ruth Grande

Mayor Meck and Council recognized the winners of the 2010 Holiday Decorating Contest as follows:

Grand Prize District 1 – David & Sebine McCain

1st Place District 1 – Gloria Aragon

1st Place District 2 – Jean Novak

1st Place District 3 – Dwayne & Linda Updike

1st Place District 4 – Frank & Angella Deangelis & James Livingston (neighbors)

1st Place District 5 – Brandon Ayers

1st Place District 6 – Jim & Laura Forbes

1st Place District 2 - Main Street Commercial – Buckeye News

1st Place District 2 – Main Street Residential - Missy Lopez & Janice Chaddock

1st Place District 2 – Commercial - The Saloon Hair & Day Spa

3. Minutes

A motion was made by Councilmember May and seconded by Councilmember Heustis to approve the minutes of the November 16, 2010 Council Workshop and Regular Council Meeting, and the December 7, 2010 Council Workshop and Regular Council Meeting. Motion passed unanimously.

4. Expenditures

A motion was made by Councilmember May and seconded by Councilmember Orsborn to ratify the payment of the accounts payable General Fund expenditures made. Copies of invoices are available at Town Hall. Motion passed unanimously.

CONSENT AGENDA ITEMS

Approval of items on the Consent Agenda - All items with an (*) are considered to be routine matters and will be enacted by one motion and vote of the Town Council. There will be no separate discussion of these items unless a Councilmember requests, in which event the item will be removed from the consent agenda and considered in its normal sequence. A motion was made by Councilmember May and seconded by Councilmember Orsborn to approve Items *5A, *5B, *5C, *5D, *5E and *5F. Motion passed unanimously.

***5. New Business**

- *5A. Resolution No. 01-11 Ordering the Work and the Formation of Town of Buckeye Street Lighting Improvement District (SLID) No. 2006-SLID-009, Crystal Vista, and declaring an emergency
Staff Liaison: Scott Lowe, Public Works Director
District No. 3**

Council received a report from the Clerk and Public Works director concerning any protests and objections to the extent of the district and thereafter act on Resolution No. 01-11, ordering the work and the formation of Town of Buckeye Street Lighting Improvement District No. 2006-SLID-009, and declaring an emergency.

- *5B. Resolution No. 02-11 Ordering the Work and the Formation of Town of Buckeye Parkway Maintenance Improvement District (MID) No. 2006-MID-009, Crystal Vista, and Declaring an Emergency
Staff Liaison: Scott Lowe, Public Works Director
District No. 3**

Council received a report from the Clerk and Public Works director concerning any protests and objections to the extent of the district and thereafter act on Resolution 02-11, ordering the work and the formation of Town of Buckeye Parkway Maintenance Improvement District No. 2006-MID-009, and declaring an emergency.

- *5C. Consider Acceptance of the Donation of Right-of-Way Along Miller Road from Miller Park, LLC
Staff Liaison: Woody Scoutten, Town Engineer
District No. 5**

Council accepted the donation of one (1) parcel of real property from Miller Park, LLC, in connection with the Town's construction of Lower Buckeye Road extending from Miller Road into Westpark.

- *5D. Consider Acceptance of the Donation of Right-of-Way at the Southeast Corner of Miller Road and Lower Buckeye Road from Phoenix Land Fund B, LLC
Staff Liaison: Woody Scoutten, Town Engineer
District No. 5**

Council accepted the donation of one (1) parcel of real property from Phoenix Land Fund B, LLC, in connection with the Town's construction of Lower Buckeye Road extending from Miller Road to Youngker High School at approximately 247th Avenue.

- *5E. Consider Acceptance of the Donation of Right-of-Way for Lower Buckeye Road from Walton AZ Monte Verde Limited Partnership
Staff Liaison: Woody Scoutten, Town Engineer
District No. 5**

Council accepted the donation of two (2) parcels of real property from Walton AZ Monte Verde Limited Partnership, in connection with the Town's construction of Lower Buckeye Road extending from Miller Road to Youngker High School at approximately 247th Avenue.

- *5F. Buckeye Industrial Park Map of Dedication (MOD)
Staff Liaison: Adam Zaklikowski, Associate Planner
District No. 1**

Council approved Case No. MOD07-08R, a revised Map of Dedication for the Buckeye Industrial Park, dedicating right-of-way along the frontage of the property on Turner Road, south of the Union Pacific railroad tracks. Request by Mauricio Iacueli of RBF Consulting on behalf of FR/CAL Ogelsby, LLC.

6. Continued / Tabled Items

6A. Action Resolution No. 06-11, Approving a Lease Agreement Between Maricopa County Community College District (MCCCD) and the Town of Buckeye for the Lease for a Portion of the A-Wing Building and Authorizing the Mayor to Execute and Deliver the Said Lease (Tabled from the December 7, 2010 Regular Council Meeting)

**Staff Liaison: Cheryl Covert, Economic Development Coordinator
District No. 2**

Ms. Covert presented an overview of the lease agreement with Maricopa County Community College District (MCCCD). MCCCD will be leasing approximately 11,000 square feet of space for use as a center campus. This lease agreement permits MCCCD to finance six classroom improvements, the Town to construct said improvements, and Estrella Mountain Community College (EMCC) to be open for fall 2011 classes. Mr. Clay Goodman (Estrella Mountain Community College) was in attendance and available to answer Council's questions. Mr. Goodman confirmed that EMCC will offer classes in English, Math, Economics and Computer Science. A motion was made by Councilmember May and seconded by Vice Mayor McAchran to:

1. Adopt Resolution No. 06-11, approving a lease agreement between Maricopa County Community College District (MCCCD) and the Town of Buckeye for the lease for a portion of the A-Wing building and authorizing the Mayor to execute and deliver the said lease, with the rent amount of \$586,005, prepaid, for a lease term of 30 years, and MCCCD is not entitled to any refund of any portion of their prepaid rent, to be applied towards the construction of tenant improvements, in the event MCCCD vacates the A-Wing prior to the end of the specified lease term of 30 years; and,
2. Authorize the Town Manager to execute all task orders including architectural services, to amend the Guaranteed Maximum Price (GMP) for the Construction Manager at Risk (CMAR) from the original awarded amount of \$745,084 to \$1,183,276 and amend the architectural task order from \$45,000 to \$115,400 to bring the building to a grey shell; and,
3. Authorize the Town Manager to award an architectural task order and new GMP for the tenant improvements needed for beneficial occupancy by MCCCD.

Motion passed unanimously.

7. Public Hearings / Non-Consent - New Business

7A. Public Hearing and Action Series 7 Liquor License Application (Transfer) for Pizza Hut

**Staff Liaison: Lucinda Aja, Town Clerk
District No. 2**

Mayor Meck opened a public hearing at 6:37 p.m. to hear citizen input regarding the Series 7 Liquor License Application No. 07070146 (Transfer) for Pizza Hut, located at 1217 W. Highway 85. Ms. Theresa Morse of Hot Pizzas (19486 No. Carrie Lane) was available to answer Council questions. There being no further public comment, Mayor Meck closed the public hearing at 6:38 p.m. A motion was made by Councilmember Heustis and seconded by Councilmember May to approve the Series 7 Liquor License Application No. 07070146 (Transfer) for Pizza Hut, located at 1217 W. Highway 85. Councilmember Garza, Councilmember Strauss, Councilmember Orsborn, Councilmember Heustis, Vice Chairman McAchran, and Mayor Meck voted aye; Councilmember May voted nay. Motion carried.

7B. Public Hearing and Action Series 12 Liquor License Application (Restaurant) for Halftime Sports Bar & Grill, LLC

**Staff Liaison: Lucinda Aja, Town Clerk
District No. 4**

Mayor Meck opened a public hearing at 6:39 p.m. to hear citizen input regarding the Series 12 Liquor License Application No. 12078577 (Restaurant) for Halftime Sports Bar & Grill, LLC located at 1300 S. Watson Road, Suite 109. There being no public comment, Mayor Meck closed the public hearing at 6:40 p.m. A motion was made by Councilmember Heustis and seconded by Councilmember Orsborn to approve the Series 12 Liquor License Application No. 12078577 (Restaurant) for Halftime Sports Bar & Grill, LLC located at 1300 S. Watson Road, Suite 109. Councilmember Garza, Councilmember Strauss, Councilmember Orsborn, Councilmember Heustis, Vice Chairman McAchran, and Mayor Meck voted aye; Councilmember May voted nay. Motion carried.

7C. Public Hearing and Action Arroyo Seco Preliminary Plat

**Staff Liaison: Brian Kulina, Associate Planner
District No. 6**

Mayor Meck opened the public hearing at 6:41 to hear citizen input regarding Arroyo Seco Preliminary Plat. Brian Kulina provided Council a brief overview of the preliminary plat generally located west of Jackrabbit Trail between Osborn Road and Thomas Road. Two letters were received in opposition and property owner, Mr. Mark Voigt (6900 E. Second Street, Scottsdale) confirmed the questions and concerns

were addressed with the residents and there has been no further opposition. There being no further public comment Mayor Meck closed the public hearing at 6:49 p.m. A motion was made by Councilmember Orsborn and seconded by Councilmember Strauss to approve a Preliminary Plat for the subdivision known as Arroyo Seco consisting of 852 single family residential lots on approximately 290 acres generally located west of Jackrabbit Trail between Osborn Road and Thomas Road. Motion passed unanimously.

7D. Action Resolution No. 08-11 Approving Intergovernmental Agreement Between the Town of Buckeye and the Flood Control District of Maricopa County for the Design, Utility Relocations, Construction, Construction Management, and Operation and Maintenance of the Palm Lane Crossing of the White Tanks FRS No. 3 Outlet Channel in Connection with the Town Park and Ride Facility Project and Authorizing the Town Manager to Execute and Deliver said Agreement on Behalf of the Town
Staff Liaison: Woody Scoutten, Community Development Director
Julius Diogenes, Town Engineer

District No. All

Mr. Diogenes presented Council an overview and was available to answer Council's questions. A motion was made by Councilmember Orsborn and seconded by Councilmember May to adopt Resolution No. 08-11, approving the Intergovernmental Agreement Between the Town of Buckeye and the Flood Control District of Maricopa County for the Design, Utility Relocations, Construction, Construction Management, and Operation and Maintenance of the Palm Lane Crossing of the White Tanks FRS No.3 Outlet Channel and authorizing the Town Manager to execute and deliver said Agreement on behalf of the Town, with the agreement related to Resolution No. 09-11 approving the Palm Lane Shared Improvements Agreement by and between the Town of Buckeye and Nevada Holdings, Co., L.P., wherein Nevada Holdings and the Town identify shared improvement components within Palm Lane, address the over sizing of water line infrastructure, and provide for reimbursement to the Town for costs associated with the construction of the Palm Lane improvements. Motion passed unanimously.

7E. Action Resolution No. 09-11 Approving Palm Lane Shared Improvements Agreement dated January 18, 2011 by and Between the Town of Buckeye and Nevada Holdings Co., L.P. in Connection with Town Park and Ride Facility and Authorizing the Mayor to Execute and Deliver said Agreement on Behalf of the Town
Staff Liaison: Woody Scoutten, Community Development Director
Julius Diogenes, Town Engineer

District No. All

Mr. Diogenes presented Council an overview and was available to answer questions. A motion was made by Councilmember Orsborn and seconded by Councilmember May to adopt Resolution No. 09-11, approving the Palm Lane Shared Improvements Agreement Dated January 18, 2011 by and between the Town of Buckeye and Nevada Holdings Co., L.P. and authorizing the Mayor to execute and deliver said Agreement on behalf of the Town, related to Resolution No. 08-11 approving the Intergovernmental Agreement between the Town of Buckeye and the Flood Control District of Maricopa County for the Design, Utility Relocations, Construction, Construction Management, and Operation and Maintenance of the Palm Lane Crossing of the White Tanks FRS No.3 Outlet Channel (the "FCD IGA" and the FCD IGA also relates to the Town's Park and Ride Facility and under the FCD IGA, certain Palm Lane roadway improvements and floodplain channel construction is addressed. Motion passed unanimously.

7F. Action Resolution No. 05-11 Approving Purchase and Sale Agreement between the Town of Buckeye and the Miller Road Property, L.C. in Connection with the Yuma Road Realignment Project and Authorizing the Execution and Delivery of said Agreement on Behalf of the Town
Staff Liaison: Woody Scoutten, Community Development Director
Bobbi Johnson, Scoutten Engineering

District No. All

Mr. Scoutten provided Council an overview of the Purchase and Sale Agreement indicating the need to eliminate existing traffic safety issues at the intersection of Yuma Road and Miller Road. Approval of this right-of-way purchase will allow the Town to own a portion of the right-of-way on which the future realignment of Yuma Road will be constructed. Quik Trip will provide future funding for the construction of the realigned roadway after the Town has obtained all necessary rights-of-way and easements. A motion was made by Vice Mayor McAchran and seconded by Councilmember Heustis to adopt Resolution No. 05-11, approving Purchase and Sale Agreement between the Town of Buckeye and the Miller Road Property, L.C., in connection with the Yuma Road Realignment project and authorizing the execution and delivery of said Agreement on behalf of the Town. Councilmember Strauss, Councilmember Orsborn, Councilmember Heustis, Vice Mayor McAchran and Mayor Meck voted aye. Councilmember Garza and Councilmember May voted nay. Motion carried.

- 7G. Action Resolution No. 07-11 Approving an Intergovernmental Agreement between the Town of Buckeye and the Arizona Department of Transportation (ADOT) for Bridge Inspection Services on Town of Buckeye Bridges in Accordance with the Requirements of the Federal Highway Administration (FHWA)**
Staff Liaison: Scott, Lowe, Public Works Director
District No. 3

Mr. Lowe provided Council an overview of the Intergovernmental Agreement with ADOT and was available to answer Council's questions. A motion was made by Councilmember Heustis and seconded by Councilmember Strauss to adopt Resolution No. 07-11, approving an Intergovernmental Agreement between the Town of Buckeye and the Arizona Department of Transportation (ADOT) for Bridge Inspection Services on Town of Buckeye bridges in accordance with the requirements of the Federal Highway Administration (FHWA). Motion passed unanimously.

- 7H. Action Approve Award of Contract No. DS-0111-CS-0220 to G and G Construction for Construction of Phase I – Alarcon & Kino Place Pedestrian Corridor in Valencia from Community Development Block Grant (CDBG) Funds**
Staff Liaison: Andrea, Marquez, Associate Planner
District No. 1

Ms. Marquez presented Council an overview of the Phase I – Alarcon and Kino Place Pedestrian Corridor project. A motion was made by Councilmember Orsbom and seconded by Councilmember Heustis to approve award of Contract No. DS-0111-CS-0220 to G and G Construction Company for construction of the Phase I – Alarcon & Kino Place Pedestrian Corridor in Valencia from Community Development Block Grant (CDBG) Funds. Motion passed unanimously.

- 7I. Action Resolution No. 03-11 Cable Television License Agreement between the Town of Buckeye and CoxCom, Inc.**
Staff Liaison: Cheryl Covert, Economic Development Coordinator
District No. All

Ms. Covert provided Council a brief overview of the Cable Television License Agreement. Mr. Michael Stoll, a representative of Cox Communication was in attendance and available to answer Council's questions. A motion was made by Councilmember Heustis and seconded by Councilmember Orsbom to adopt Resolution No. 03-11, approving an agreement between CoxCom, Inc. and the Town of Buckeye for a cable television license agreement for a term of ten (10) years, effective February 1, 2011 and ending at 11:59 p.m. on January 31, 2021. If prior to the expiration of this ten year term, CoxCom, Inc. completes the construction of a Secondary Telecommunications Center (STC) in the Town, intended to provide enhanced cable and communication services to the Town and surrounding communities, this Term shall automatically extend, without any further action required by the Town and CoxCom, Inc., for five (5) additional years, ending at 11:59 p.m. on January 31, 2026. Motion passed unanimously.

- 7J. Action Resolution No. 18-11 Sign Fabrication Intergovernmental Agreement between the Town of Buckeye and the Town of Gila Bend**
Staff Liaison: Scott Lowe, Public Works Director
District No. N/A

Mr. Lowe was available to answer Council's questions. A motion was made by Vice Chairman McAchran and seconded by Councilmember Strauss to adopt Resolution No. 18-11, approving the Intergovernmental Agreement (IGA) between the Town of Buckeye and the Town of Gila Bend for the purposes of Buckeye fabricating regulatory and other signs for Gila Bend in accordance with the terms of the IGA for annual revenue of approximately \$4,755.00. Motion passed unanimously.

8. Town Manager's Report

Please see attached Town Manager's report.

9. Comments from the Mayor and Council

Councilmember Garza – Commended the Police Department and their presence around town.
Councilmember Strauss – Commended Mrs. Charman for her years of service to the Town and Community Services for the Sundance Fundraiser; a positive community event.
Councilmember May – Announced vacancies on the Airport Advisory Board and the Planning and Zoning Commission and encourage residents to participate.
Councilmember Orsborn – Valley Metro RPTA Board will meet this week and will update Council at next meeting. The Phase I Valencia contract award is a great example of projects being funded by CDAC.
Councilmember Heustis – Attended the CDAC meeting last week and looks forward to future funding capability. Thanked Charles Waters and Town staff of approximately 30 volunteers who devoted their time at the Sundance Fundraiser.
Vice Mayor McAchran – None.
Mayor Meck – Announced that our bond rating is now A+ which is up from last year. Commended the Police Department for their professionalism and thanked everyone involved in the golf tournament at Sundance.

10. Adjournment

A motion was made by Councilmember May and seconded by Councilmember Heustis to adjourn the meeting at 7:33 p.m. Motion passed unanimously.

Jackie A. Meck, Mayor

ATTEST:

Lucinda J. Aja, Town Clerk

I hereby certify that the foregoing minutes are a true and correct copy of the Regular Council Meeting on the 18th day of January, 2011. I further certify that a quorum was present.

Lucinda J. Aja, Town Clerk

RESOLUTION NO. 01-11

RESOLUTION OF THE BOARD OF DIRECTORS OF FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE, ARIZONA) APPROVING THE LEVYING OF AN ASSESSMENT AND ASSESSMENT DIAGRAM FOR THE FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE, ARIZONA).

WHEREAS, the Board of Directors of the Festival Ranch Community Facilities District (Town of Buckeye, Arizona) (the "*District*"), initiated (i) the establishment of an assessment district number 7 within the boundaries of the District (the "*Assessment District*"); (ii) the acquisition and construction of certain public infrastructure improvements and purposes (the "*Projects*"), and (iii) the financing of said Projects and necessary Incidental Expenses (as defined in the Resolution of Intention) with the District's assessment revenue bonds, by the adoption of its Resolution No. 05-10 (the "*Resolution of Intention*") on December 7, 2010; and

WHEREAS, the District acquired jurisdiction to order the design, acquisition and construction of such Projects by the Board of Directors adoption of Resolution No. 06-10 (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: (i) 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 (ii) the levy of an assessment, as provided by law, in an amount not to exceed \$2,000.00 for the purpose of financing the Projects and Incidental Expenses; and

WHEREAS, the Assessment 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 and construction of the Projects 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 (TOWN OF BUCKEYE, ARIZONA) AS FOLLOWS:

Section 1. The estimate of costs and expenses for the Projects 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>
Construction and Acquisition Costs	\$316,895
TOTAL PROJECT COSTS	\$316,895
Total Incidental Costs	\$47,180
Reserve Fund	<u>\$39,925</u>
GRAND TOTAL	<u>\$404,000</u>

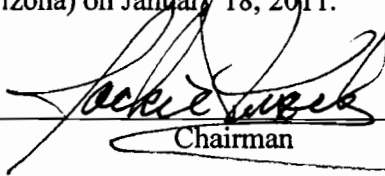
Section 2. The Assessment District Engineer, subject to the approval of the District Engineer, and the Superintendent of Streets are hereby directed to prepare and levy an assessment against the real property in the Assessment District for an amount not greater than the grand total of costs set forth in Section 1 hereof; 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 Assessment District Engineer, as approved by the District Engineer, 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.

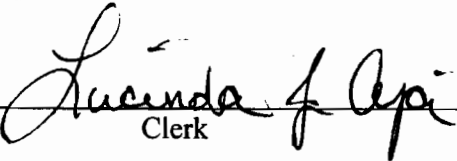
Section 4. The Treasurer of the District is hereby directed to make demand on the owners of the real property assessed for advance cash payment of the assessed amount, and with respect to any assessments that bonds are issued against, bill and collect each installment payment then due and owing.

Section 5. All acts of the Clerk, the Assessment District Engineer, the District Engineer, the Superintendent of Streets and any person acting for such officials in furtherance of this resolution are hereby ratified and confirmed.

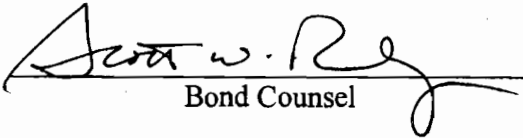
PASSED AND ADOPTED by the Board of Directors of Festival Ranch
Community Facilities District (Town of Buckeye, Arizona) on January 18, 2011.


Chairman

ATTEST:


Clerk

APPROVED AS TO FORM


Bond Counsel

WARRANT

By virtue hereof, I, Woodrow C. Scoutten of W.C. Scoutten, acting in its capacity of Superintendent of Streets of the Festival Ranch Community Facilities District (Town of Buckeye, Arizona) (the "*District*"), with respect to Assessment District No. 7 by virtue of the authority vested in W. C. Scoutten 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. The District's Special Assessment Revenue Bonds, Series 2011 (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 fifteen (15) annual installments from the assessments of twenty-five dollars or more remaining unpaid at the date of the Bonds.

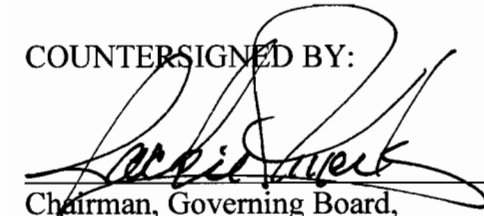
DATED: March 10, 2011

W.C. SCOUTTEN, as Superintendent of
Streets



Authorized Representative

COUNTERSIGNED BY:



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

ASSESSMENT

IN THE MATTER OF THE FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (TOWN 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 2011.

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. 05-10, adopted by the Governing Board of the District on December 7, 2010 (the "*Resolution*"), W.C. Scoutten, Inc., acting in its capacity as Superintendent of Streets of the Festival Ranch Community Facilities District (Town 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 *Exhibits A-1 and A-2* (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 Special Assessment Revenue Bonds, Series 2011 (the "*Bonds*") described in the Resolution (collectively, the "*Projects*"), all of the above work or improvement to be done and financed in accordance with the Report on file in the offices of the Clerk and Superintendent of Streets.

The assessment of a portion of the costs of the Projects, 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 (Town of Buckeye, Arizona) Waiver and Development Agreement (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 Projects approved on January 18, 2011, by the Governing Body in Resolution No. 01-11, which resolution approved and authorized the levying of a total assessment in an amount not to exceed \$404,000. 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 Projects 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 \$404,000, AND IS MORE PARTICULARLY BROKEN DOWN AS FOLLOWS:

SUMMARY OF COSTS

Total Project Costs	\$316,895
Reserve Fund	39,925
Total Incidental Costs	<u>47,180</u>
GRAND TOTAL	<u>\$404,000</u>

DATED: March 23, 2011

RECORDED THIS 23rd DAY OF MARCH, 2011, IN THE OFFICE OF THE SUPERINTENDENT OF STREETS OF THE FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE, ARIZONA).



Superintendent of Streets

I, Woodrow C. Scoutten, on behalf of the Superintendent of Streets of the Festival Ranch Community Facilities District (Town of Buckeye, Arizona), do hereby certify that all charges stated are correct and that the computations and calculations of this Assessment are correct.



Superintendent of Streets

EXHIBIT A-1

Assessment Attachment

Owner: Pulte Home Corporation
15111 N. Pima Road
Suite 100
Scottsdale, Arizona 85260

Assessment Area No. 7

Assessment No.: 1

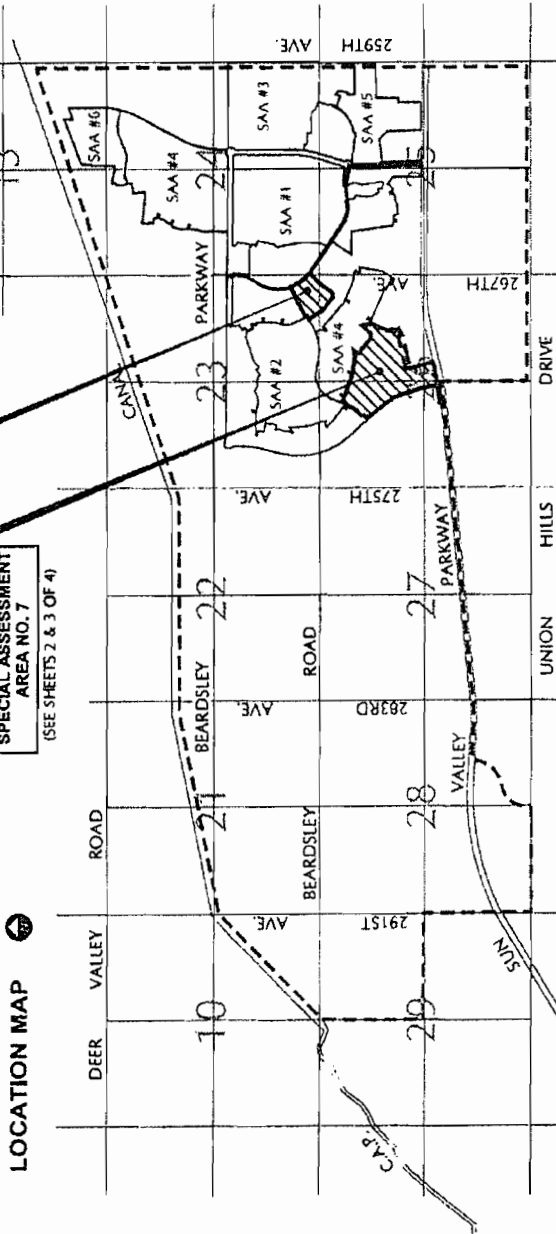
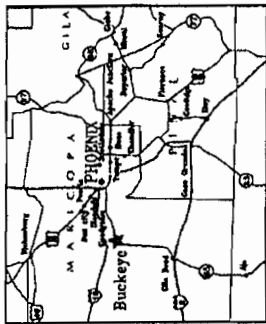
Parcel No. M-1

<u>Assessment Amount Per Lot*</u>	<u>Lot Numbers</u>	<u>Amount Paid Per Lot</u>	<u>Final Assessed Amount to go to Bond Per Lot</u>
\$2,000.00	1-98, 148, 149 169-178, 258-292	\$-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.

(TOWN OF BUCKEYE, ARIZONA)
FESTIVAL RANCH
 Community Facilities District No. 1
SPECIAL ASSESSMENT AREA NO. 7



PARCEL V1
 SPECIAL ASSESSMENT
 AREA NO. 7
 (SEE SHEET 4 OF 4)

PARCEL M1
 SPECIAL ASSESSMENT
 AREA NO. 7
 (SEE SHEETS 2 & 3 OF 4)

- LEGEND**
- FESTIVAL RANCH SPECIAL ASSESSMENT AREA (SAA) #7
 - FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
 - ORIGINAL PARCEL NO.
 - LOT NO.
 - SPECIAL ASSESSMENT DISTRICT NO.

DISTRICT ENGINEER CERTIFICATION

I HEREBY CERTIFY THAT THE PARCEL BOUNDARIES SHOWN ARE DEPICTED ON THIS PLAN WERE SUPPLIED BY CIVIL CONSULTING AND ARE CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

David P. Gie
 ENGINEER DATE 1-18-11

APPROVED BY RESOLUTION NO. _____ AT A MEETING OF THE BOARD OF DIRECTORS OF THE TOWN OF BUCKEYE, ARIZONA ON THE _____ DAY OF _____, 2011.

DISTRICT CLERK _____ DATE _____

SIGNED: THIS _____ DAY OF _____, 2011

SUBMITTED: *David P. Gie* / 1-18-11
 SUPERINTENDENT OF STREETS DATE

EXHIBIT C

NOTE: IMPROVEMENTS CONSISTS OF PUBLIC INFRASTRUCTURE AS DEPICTED IN THE FEASIBILITY REPORT DATED DECEMBER 7, 2011 ON FILE WITH THE DISTRICT CLERK.

WILLDAN Engineering

7200 N. DeWitt Circle, Suite 110
 Phoenix, Arizona 85020 • 480.238.8668

PROJECT NO.: 13891-2002
 DATE: 1/4/2011
 SHEET NO. 1 OF 4



FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT NO. 1

SPECIAL ASSESSMENT DISTRICT NO. 7 ASSESSMENT TABLE

REV. #	PARCEL	ASSESSMENT #	LOTS	DATE
1	M1R1	M1-07-001 thru M1-07-098, M1-07-045, M1-07-046, M1-07-169 thru M1-07-178 and M1-07-258 thru M1-07-292	145	1/4/2011
	V1	V1-07-001 thru V1-07-057	57	1/4/2011

NOTE: LOT LAYOUT SHOWN ON SHEETS 2 - 4

(TOWN OF BUCKEYE, ARIZONA)

FESTIVAL RANCH

**Community Facilities District No. 1
SPECIAL ASSESSMENT AREA NO.7**



ASSESSMENT NO.

**M1-07-001 thru M1-07-098,
M1-07-148, M1-07-149,
M1-07-169 thru M1-07-178
and
M1-07-258 thru M1-07-292**

EXHIBIT C

NOTE: IMPROVEMENTS CONSISTS OF PUBLIC INFRASTRUCTURE AS
DEPICTED IN THE FEASIBILITY REPORT DATED DECEMBER 7, 2011, ON
FILE WITH THE DISTRICT CLERK.

WILLDAN
Engineering

7500 N. DeWitt Drive, Suite 110
Phoenix, Arizona 85020 • 603.926.2400

PROJECT NO.	13891-2002
DATE:	1-4-2011
SHEET NO.	2 OF 4

(TOWN OF BUCKEYE, ARIZONA)

FESTIVAL RANCH

**Community Facilities District No. 1
SPECIAL ASSESSMENT AREA NO.7**

LOT NO.	ASMT. NO.	AREA (SF)	LOT NO.	ASMT. NO.	AREA (SF)	LOT NO.	ASMT. NO.	AREA (SF)
1	M1-07-001	11,438	261	M1-07-261	8,225	57	M1-07-057	8,222
2	M1-07-002	10,871	262	M1-07-262	8,225	58	M1-07-058	8,850
3	M1-07-003	9,363	263	M1-07-263	8,225	59	M1-07-059	6,881
4	M1-07-004	11,783	264	M1-07-264	12,543	60	M1-07-060	9,925
5	M1-07-005	12,007	265	M1-07-265	17,267	61	M1-07-061	6,880
6	M1-07-006	11,366	266	M1-07-266	15,944	62	M1-07-062	6,894
7	M1-07-007	10,228	267	M1-07-267	11,694	63	M1-07-063	11,910
8	M1-07-008	10,298	268	M1-07-268	10,721	64	M1-07-064	7,038
9	M1-07-009	8,298	269	M1-07-269	11,620	65	M1-07-065	8,398
10	M1-07-010	9,200	270	M1-07-270	11,620	66	M1-07-066	7,738
11	M1-07-011	9,200	271	M1-07-271	11,620	67	M1-07-067	8,621
12	M1-07-012	9,200	272	M1-07-272	11,620	68	M1-07-068	8,418
13	M1-07-013	9,871	273	M1-07-273	13,511	69	M1-07-069	8,231
14	M1-07-014	9,200	274	M1-07-274	8,620	70	M1-07-070	7,670
15	M1-07-015	9,299	275	M1-07-275	6,800	71	M1-07-071	7,731
16	M1-07-016	8,684	276	M1-07-276	6,800	72	M1-07-072	10,832
17	M1-07-017	9,817	277	M1-07-277	6,800	73	M1-07-073	12,832
18	M1-07-018	9,190	278	M1-07-278	6,800	74	M1-07-074	8,434
19	M1-07-019	9,190	279	M1-07-279	6,858	75	M1-07-075	8,110
20	M1-07-020	9,190	280	M1-07-280	7,028	76	M1-07-076	8,140
21	M1-07-021	9,183	281	M1-07-281	7,031	77	M1-07-077	9,787
22	M1-07-022	6,778	282	M1-07-282	7,037	78	M1-07-078	8,638
23	M1-07-023	9,643	283	M1-07-283	6,821	79	M1-07-079	8,250
24	M1-07-024	9,644	284	M1-07-284	7,964	80	M1-07-080	8,250
25	M1-07-025	9,644	285	M1-07-285	11,068	81	M1-07-081	8,250
26	M1-07-026	8,162	286	M1-07-286	10,383	82	M1-07-082	8,250
27	M1-07-027	8,773	287	M1-07-287	9,234	83	M1-07-083	8,255
28	M1-07-028	11,435	288	M1-07-288	9,707	84	M1-07-084	9,123
29	M1-07-029	11,959	289	M1-07-289	12,885	85	M1-07-085	9,897
30	M1-07-030	11,843	290	M1-07-290	10,813	86	M1-07-086	7,370
31	M1-07-031	8,038	291	M1-07-291	9,768	87	M1-07-087	7,370
32	M1-07-032	7,731	292	M1-07-292	9,319	88	M1-07-088	7,370
33	M1-07-033	9,313				89	M1-07-089	7,370
34	M1-07-034	14,377				90	M1-07-090	7,370
35	M1-07-035	13,864				91	M1-07-091	7,370
36	M1-07-036	14,134				92	M1-07-092	7,621
37	M1-07-037	12,242				93	M1-07-093	8,138
38	M1-07-038	8,755				94	M1-07-094	7,700
39	M1-07-039	9,358				95	M1-07-095	7,700
40	M1-07-040	8,305				96	M1-07-096	7,700
41	M1-07-041	7,548				97	M1-07-097	7,700
42	M1-07-042	8,800				98	M1-07-098	7,900
43	M1-07-043	8,600				148	M1-07-148	9,885
44	M1-07-044	8,600				149	M1-07-149	7,700
45	M1-07-045	8,600				169	M1-07-169	11,074
46	M1-07-046	6,600				170	M1-07-170	11,233
47	M1-07-047	6,600				171	M1-07-171	6,786
48	M1-07-048	6,600				172	M1-07-172	8,950
49	M1-07-049	6,600				173	M1-07-173	8,600
50	M1-07-050	6,600				174	M1-07-174	8,600
51	M1-07-051	7,632				175	M1-07-175	8,650
52	M1-07-052	7,088				176	M1-07-176	8,684
53	M1-07-053	8,884				177	M1-07-177	10,901
54	M1-07-054	8,718				178	M1-07-178	10,900
55	M1-07-055	6,753				258	M1-07-258	8,700
56	M1-07-056	8,787				259	M1-07-259	8,225
						260	M1-07-260	8,225

ASSESSMENT NO.
M1-07-001 thru M1-07-098,
M1-07-148, M1-07-149,
M1-07-169 thru M1-07-178
and
M1-07-258 thru M1-07-292

EXHIBIT C

NOTE: IMPROVEMENTS CONSISTS OF PUBLIC INFRASTRUCTURE AS SHOWN IN THE FEASIBILITY REPORT DATED DECEMBER 7, 2011. ON FILE WITH THE DISTRICT CLERK.



7100 N. Drexler Drive, Suite 110
 Phoenix, Arizona 85020 • 602.976.7400

PROJECT NO.: 13891-2002
 DATE: 1-4-2011
 SHEET NO.: 3 Of 4

EXHIBIT A-2

Assessment Attachment

Owner: Pulte Home Corporation
15111 N. Pima Road
Suite 100
Scottsdale, Arizona 85260

Assessment Area No. 7

Assessment No.: 1

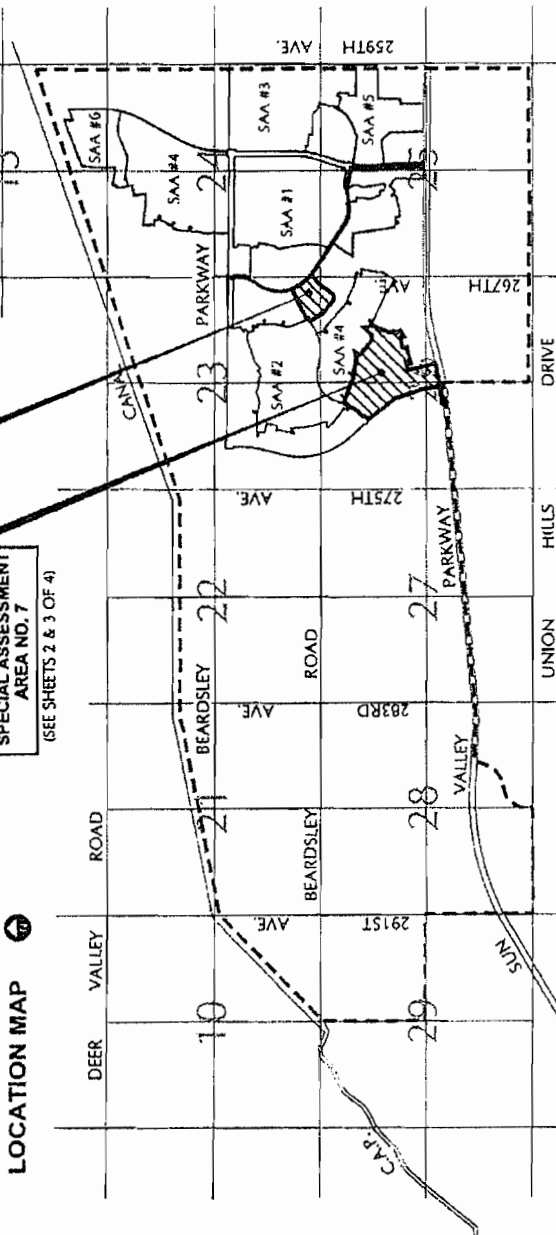
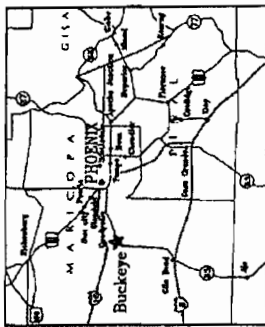
Parcel No. V-1

<u>Assessment Amount Per Lot*</u>	<u>Lot Numbers</u>	<u>Amount Paid Per Lot</u>	<u>Final Assessed Amount to go to Bond Per Lot</u>
\$2,000.00	1-57	\$-0-	\$2,000.00

Property Legal Description attached hereto as Exhibit A-2.

* 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.

(TOWN OF BUCKEYE, ARIZONA)
FESTIVAL RANCH
 Community Facilities District No. 1
SPECIAL ASSESSMENT AREA NO. 7



PARCEL V1
 SPECIAL ASSESSMENT
 AREA NO. 7
 (SEE SHEET 4 OF 4)

PARCEL M1
 SPECIAL ASSESSMENT
 AREA NO. 7
 (SEE SHEETS 2 & 3 OF 4)

- LEGEND**
- FESTIVAL RANCH SPECIAL ASSESSMENT AREA (SAA) #7
 - FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
 - ORIGINAL PARCEL NO.
 - LOT NO.
 - SPECIAL ASSESSMENT DISTRICT NO.

DISTRICT ENGINEER CERTIFICATION

I HEREBY CERTIFY THAT THE PARCEL BOUNDARIES SHOWN ARE ACCURATE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

David P. Hester
 ENGINEER
 DATE: 1-18-11

APPROVED BY RESOLUTION NO. _____ AT A MEETING OF THE BOARD OF DIRECTORS OF THE TOWN OF BUCKEYE, ARIZONA ON THE _____ DAY OF _____, 2011.

DISTRICT CLERK _____ DATE _____

SIGNED: THIS _____ DAY OF _____, 2011

SUBMITTED: *David P. Hester* DATE: 1-18-11
 SUPERINTENDENT OF STREETS

EXHIBIT C

NOTE: IMPROVEMENTS CONSISTS OF PUBLIC INFRASTRUCTURE AS SHOWN IN THE FEASIBILITY REPORT DATED DECEMBER 7, 2011. ON FILE WITH THE DISTRICT CLERK.



FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT NO. 1

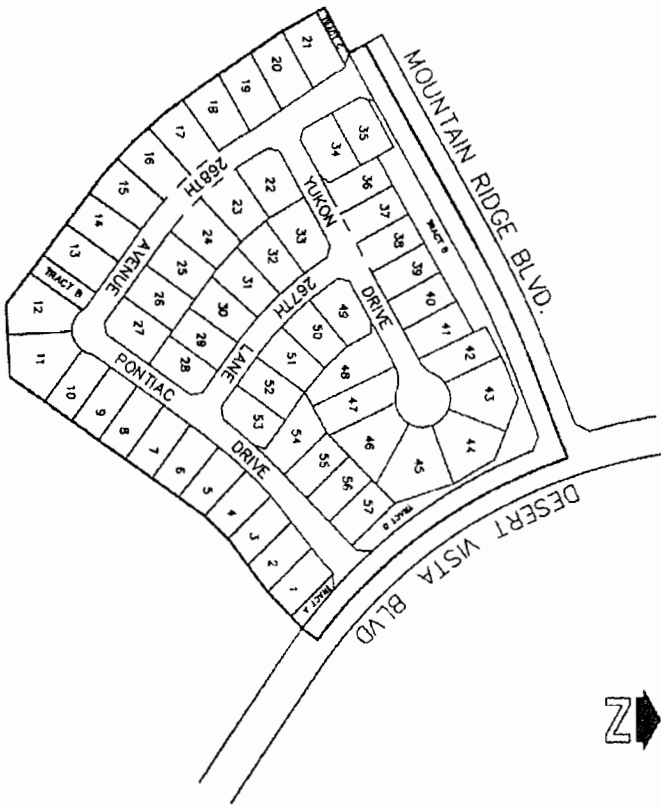
SPECIAL ASSESSMENT DISTRICT NO. 7 ASSESSMENT TABLE

REV. #	PARCEL	ASSESSMENT #	LOTS	DATE
1	M1/1	M1-07-001 thru M1-07-098, M1-07-099 thru M1-07-201, 178 and M1-07-148 thru M1-07-178 and M1-07-258 thru M1-07-292	145	1/4/2011
	V1	V1-07-001 thru V1-07-057	37	1/4/2011

NOTE: LOT LAYOUT SHOWN ON SHEETS 7-4

Exhibit A-2

LOT NO.	ASMT. NO.	AREA (SF)
1	V1-07-001	8,431
2	V1-07-002	8,766
3	V1-07-003	6,685
4	V1-07-004	7,031
5	V1-07-005	7,325
6	V1-07-006	7,514
7	V1-07-007	7,280
8	V1-07-008	7,280
9	V1-07-009	7,280
10	V1-07-010	7,178
11	V1-07-011	11,315
12	V1-07-012	9,918
13	V1-07-013	8,225
14	V1-07-014	8,141
15	V1-07-015	8,583
16	V1-07-016	8,569
17	V1-07-017	8,589
18	V1-07-018	8,338
19	V1-07-019	8,375
20	V1-07-020	8,322
21	V1-07-021	8,335
22	V1-07-022	8,180
23	V1-07-023	8,313
24	V1-07-024	8,313
25	V1-07-025	7,910
26	V1-07-026	7,700
27	V1-07-027	8,138
28	V1-07-028	7,038
29	V1-07-029	6,897
30	V1-07-030	7,189
31	V1-07-031	7,403
32	V1-07-032	7,662
33	V1-07-033	8,587
34	V1-07-034	8,008
35	V1-07-035	7,760
36	V1-07-036	6,729
37	V1-07-037	6,600
38	V1-07-038	6,600
39	V1-07-039	6,600
40	V1-07-040	6,600
41	V1-07-041	6,984
42	V1-07-042	7,531
43	V1-07-043	11,039
44	V1-07-044	10,386
45	V1-07-045	12,285
46	V1-07-046	10,274
47	V1-07-047	9,344
48	V1-07-048	18,245
49	V1-07-049	7,822
50	V1-07-050	7,134
51	V1-07-051	7,134
52	V1-07-052	6,832
53	V1-07-053	7,278
54	V1-07-054	8,283
55	V1-07-055	6,890
56	V1-07-056	6,600
57	V1-07-057	8,600



(TOWN OF BUCKEYE, ARIZONA)
FESTIVAL RANCH
 Community Facilities District No. 1
 SPECIAL ASSESSMENT AREA NO. 7

ASSESSMENT NO.
V1-07-001 thru V1-07-057

EXHIBIT C

NOTE: IMPROVEMENTS CONSISTS OF PUBLIC INFRASTRUCTURE AS SHOWN IN THE FEASIBILITY REPORT DATED DECEMBER 7, 2011, ON FILE WITH THE DISTRICT CLERK.

WILLDAN
 Engineering

1500 N. Durango Drive, Suite 110
 Phoenix, Arizona 85008 - 822.920.5000

PROJECT NO.: 13891-2002
 DATE: 1/4/2011
 SHEET NO.: 4 OF 4

TREASURER'S RETURN AND CERTIFICATE OF UNPAID ASSESSMENTS

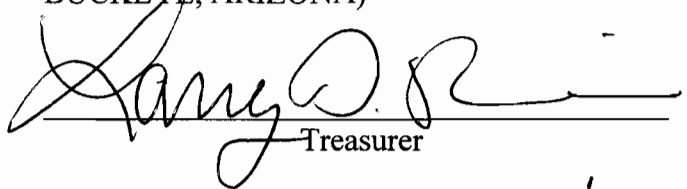
TO: W.C. Scoutten, as Superintendent of Streets of
Festival Ranch Community Facilities District
(Town of Buckeye, Arizona) Assessment District No. 7

Larry Price, being duly sworn, says that he is the Finance Director of the Town of Buckeye, Arizona, and *ex officio* Treasurer of the Festival Ranch Community Facilities District (Town 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 FOUR HUNDRED FOUR THOUSAND and 00/100 Dollars (\$404,000.00). Said assessments are payable to the Treasurer and were authorized and approved in Resolution No. 01-11 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:

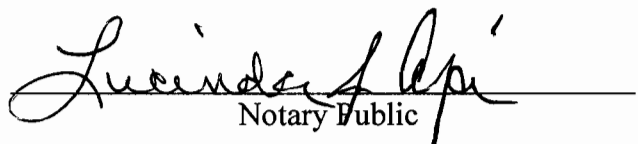
A. Cash received	\$0.00
B. Amount remaining unpaid of less than \$25 per assessment	\$0.00
C. Amount remaining unpaid of more than \$25 per assessment	\$0.00
D. Total to bond	\$ <u>404,000.00</u>

DATED: March ~~10~~ 2010

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

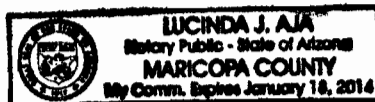

Treasurer

SUBSCRIBED AND SWORN to before me, a Notary Public, this 10th day of
March, 2011.


Notary Public

My Commission expires:

01-18-2014



RETURN AND CERTIFICATE RECORDED ON March 23, 2011.

W.C. SCOUTTEN, as Superintendent of
Streets



OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
20110294824 04/06/2011 03:14
00671800260b-7-1-1--
ELECTRONIC RECORDING

When recorded return to:

Scott W. Ruby
Gust Rosenfeld P.L.C.
One East Washington Street, Suite 1600
Phoenix, Arizona 85004-2553

**NOTICE OF RECORDING OF ASSESSMENT
FOR THE
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
ASSESSMENT DISTRICT NO. 7
IN THE
OFFICE OF SUPERINTENDENT OF STREETS**

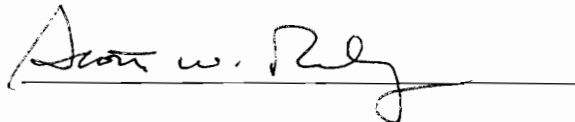
TO WHOM IT MAY CONCERN:

Please take notice that on March 23, 2011, the Superintendent of Streets of the Festival Ranch Community Facilities District (Town of Buckeye, Arizona) Assessment District No. 7 recorded, in its office, the assessment pertaining to the Festival Ranch Community Facilities District (Town of Buckeye, Arizona) Assessment District No. 7 Special Assessment Revenue Bonds, Series 2010, 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, W. C. Scoutten, Inc. 1626 N. Litchfield Road, Suite 310, Goodyear, Arizona, Attention: Woodrow C. Scoutten or to Gust Rosenfeld P.L.C., One East Washington Street, Suite 1600, Phoenix, Arizona 85004-2553, Attention: Scott W. Ruby.

DATED: April 6, 2011

Scott W. Ruby, Town Attorney



Attachment:

Exhibit A: Legal Description of Assessed Property

Record in the Office of the Maricopa County Recorder

EXHIBIT A

July 23, 2010

LEGAL DESCRIPTION FOR
SUN CITY FESTIVAL
SPECIAL ASSESSMENT AREA No. 7

Parcel No. 1

Lots 1 through 57, inclusive, of Sun City Festival Parcel VI, recorded in Book 814 of Maps, Page 17, Records of Maricopa County, Arizona.

Parcel No. 2

Lots 1 through 98, inclusive, 148, 149, 169 through 178, inclusive, and 258 through 292, inclusive, of Sun City Festival Parcels M1 & R1, recorded in Book 943 of Maps, Page 49, Records of Maricopa County, Arizona.

Parcel No. 3

That part of the South Half of Section 13 and the North Half of Section 24, Township 4 North, Range 4 West, of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the G.L.O. Brass Cap marking the West Quarter Corner of said Section 24, from which the G.L.O. Brass Cap marking the Southwest Corner of said Section 24 bears South $00^{\circ}23'31''$ West, a distance of 2,640.13 feet;

Thence North $00^{\circ}22'48''$ East, along the West line Northwest Quarter of said Section 24, a distance of 1,256.00 feet;

Thence South $89^{\circ}36'38''$ East, departing said West line, a distance of 202.00 feet;

Thence North $00^{\circ}22'48''$ East, a distance of 132.00 feet;

Thence South $89^{\circ}36'38''$ East, a distance of 476.10 feet to the beginning of a tangent curve of 300.00 foot radius, concave Northwesterly;

Thence Northeasterly, along said curve, through a central angle of $32^{\circ}27'10''$, a distance of 169.93 feet;

Thence North $57^{\circ}56'12''$ East, a distance of 275.62 feet to the beginning of a tangent curve of 300.00 foot radius, concave Southeasterly;

Thence Northeasterly, along said curve, through a central angle of $06^{\circ}35'56''$, a distance of 34.55 feet;



Legal Description for
Sun City Festival
Special Assessment Arca No. 7
July 23, 2010

Thence North 25°27'52" West, a distance of 142.50 feet to the beginning of a tangent curve of 1,500.00 foot radius, concave Northeasterly;

Thence Northwesterly, along said curve, through a central angle of 04°55'57", a distance of 129.13 feet;

Thence North 20°31'55" West, a distance of 282.74 feet;

Thence North 69°28'05" East, a distance of 151.65 feet to the beginning of a tangent curve of 400.00 foot radius, concave Southeasterly;

Thence Northeasterly, along said curve, through a central angle of 20°54'38", a distance of 145.98 feet;

Thence South 89°37'17" East, a distance of 307.28 feet to the True Point of Beginning;

Thence North 00°22'43" East, a distance of 22.00 feet;
Thence North 45°22'43" East, a distance of 21.21 feet;
Thence North 00°22'43" East, a distance of 75.00 feet;
Thence North 26°11'11" West, a distance of 22.36 feet;
Thence North 89°37'17" West, a distance of 105.00 feet;

Thence North 00°22'43" East, a distance of 319.00 feet to a point on the North line of the Northwest Quarter of said Section 24;

Thence North 89°37'17" West, along said North line, a distance of 210.22 feet;

Thence North 20°32'23" West, departing said North line, a distance of 55.02 feet to a point on the Southerly right-of-way line for the Central Arizona Project Canal;

Thence North 69°27'37" East, along said Southerly right-of-way line, a distance of 1,596.23 feet to a point on the North South mid-section line of Section 13;

Thence North 69°27'38" East, along said Southerly right-of-way line, a distance of 104.88 feet;

Thence South 07°39'01" West, a distance of 245.00 feet;

Thence South 55°27'32" East, a distance of 22.42 feet to a point on a 522.00 foot radius non-tangent curve, whose center bears South 09°09'21" West;

Thence Northwesterly, along said curve, through a central angle of 02°11'44", a distance of 20.00 feet;

Thence South 14°26'19" West, a distance of 44.41 feet;



Legal Description for
Sun City Festival
Special Assessment Area No. 7
July 23, 2010

Thence South 00°24'03" West, a distance of 534.32 feet;
Thence North 87°48'12" West, a distance of 154.54 feet;
Thence North 25°05'34" West, a distance of 22.27 feet;
Thence North 89°00'44" West, a distance of 64.57 feet;
Thence North 80°19'53" West, a distance of 210.00 feet;
Thence South 09°40'07" West, a distance of 110.00 feet;
Thence North 80°19'53" West, a distance of 35.81 feet;
Thence South 09°40'07" West, a distance of 44.00 feet;
Thence South 35°19'53" East, a distance of 21.21 feet;

Thence South 09°40'07" West, a distance of 17.21 feet to the beginning of a tangent curve of 272.00 foot radius, concave Easterly;

Thence Southerly, along said curve, through a central angle of 22°11'35", a distance of 105.36 feet;

Thence South 12°31'28" East, a distance of 201.94 feet to a point on the Northerly Boundary for Sun City Festival - Parcels P1 & I1 recorded in Book 961 of Maps, Page 46, Maricopa County Records;

Thence along said Northerly Boundary the following courses:

Thence South 32°28'32" West, a distance of 21.21 feet;
Thence South 77°28'32" West, a distance of 190.40 feet;
Thence North 60°48'53" West, a distance of 22.40 feet;

Thence South 70°53'42" West, a distance of 44.00 feet to a point on a 278.00 foot radius non-tangent curve, whose center bears South 70°53'42" West;

Thence Southeasterly, along said curve, through a central angle of 09°37'27", a distance of 46.70 feet;

Thence South 09°28'51" East, a distance of 105.83 feet;

Thence South 80°31'09" West, departing said Northerly Boundary line, a distance of 115.00 feet;

Thence North 09°28'51" West, a distance of 80.00 feet;
Thence North 14°51'04" West, a distance of 72.78 feet;
Thence North 38°23'16" West, a distance of 69.36 feet;
Thence North 62°57'25" West, a distance of 69.36 feet;
Thence North 85°39'03" West, a distance of 73.75 feet;
Thence North 89°37'17" West, a distance of 160.00 feet;
Thence North 00°22'43" East, a distance of 115.00 feet;



Legal Description for
Sun City Festival
Special Assessment Area No. 7
July 23, 2010

Thence North 89°37'17" West, a distance of 64.65 feet;

Thence North 00°22'43" East, a distance of 22.00 feet to the True Point of Beginning.



Expires: 8/30/2013

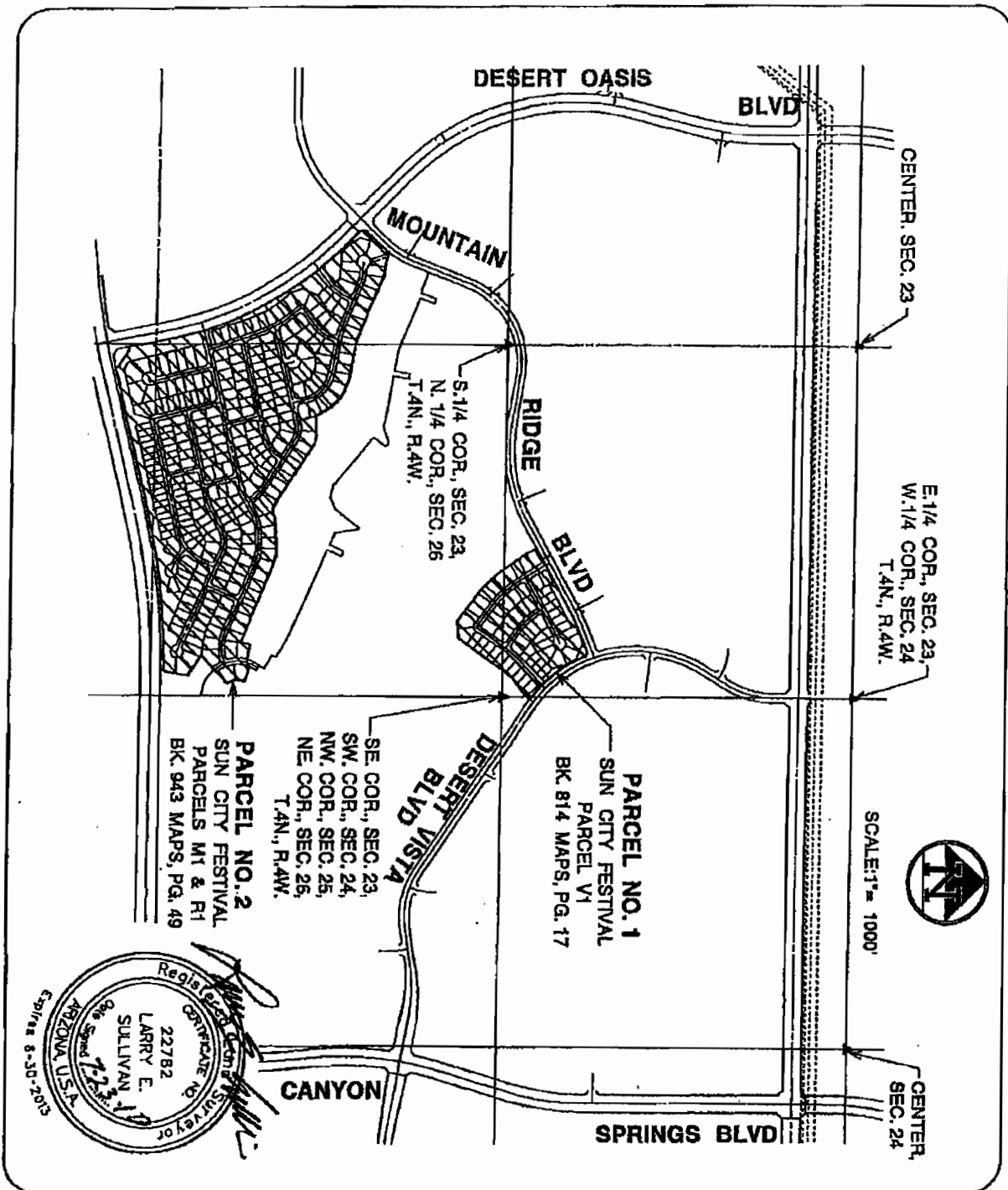
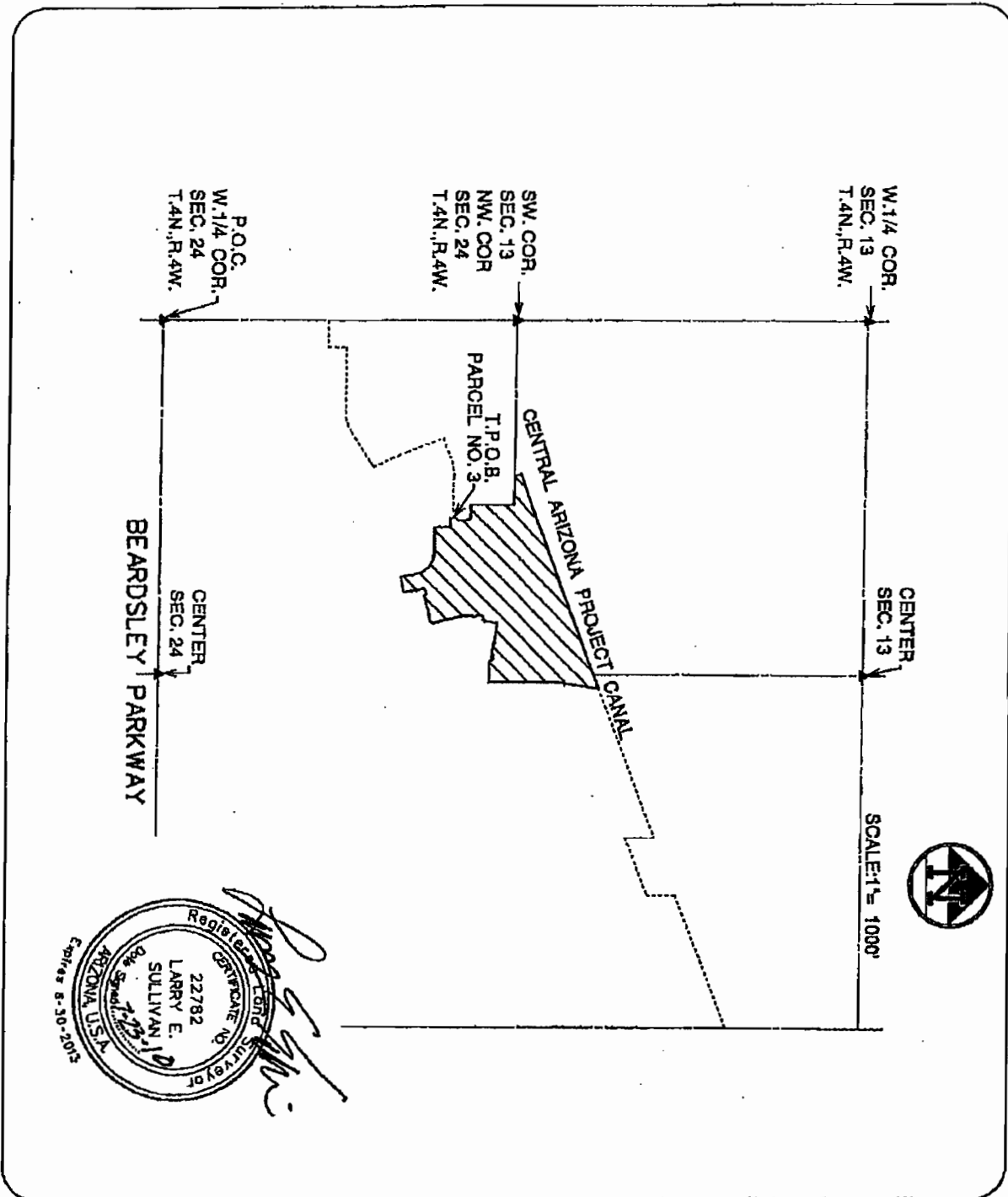


EXHIBIT N:\680001\LAND\EXHIBIT.DGN	SUN CITY FESTIVAL SPECIAL ASSESSMENT AREA NO. 7	JOB NO 68000801
4550 NORTH 12TH STREET PHOENIX, ARIZONA 85014 TELEPHONE (602) 264-6831	COE & VAN LOO PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE	SHEET 1 OF 2



Larry E. Sullivan

EXHIBIT N:\680001\LAND\EHASD\87-1.DGN	SUN CITY FESTIVAL SPECIAL ASSESSMENT AREA NO. 7	JOB NO 68000801
4550 NORTH 12TH STREET PHOENIX, ARIZONA 85014 TELEPHONE (602) 284-8831	COE & VAN LOO PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE	SHEET 2 OF 2