$5,410,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS,
SERIES 2016
(BANK QUALIFIED)

July 13, 2016

CLOSING INDEX

BOND DOCUMENTS

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

FINANCING DOCUMENTS

1. Feasibility Report for the issuance of the Bonds.

2. Affidavit of publication of the Notice of Hearing on the report of the feasibility and benefits of certain projects to be financed with proceeds of the sale of the District's general obligation Bonds.

3. (a) Agenda, minutes of meeting of May 17, 2016
   (b) District Resolution No. 03-16, approving the feasibility report and other matters.
   (c) District Resolution No. 04-16, authorizing the issuance and sale of the Bonds to Stifel, Nicolaus & Company, Incorporated, as the underwriter of the Bonds (the "*Underwriter*") in accordance with the Purchase Contract.

4. Bond Registrar, Transfer Agent and Paying Agent Contract.

5. Purchase Contract between the District Board and the Underwriter.

6. Letter of Indemnity from Pulte Home Corporation.

7. Continuing Disclosure Undertaking.

8. Dissemination Agency Agreement.

9. County Assessor's Certificate.

10. Closing Certificate of the District.

11. Tax Certificate of the District.

12. Certificate of District Treasurer Regarding Official Statement and Rule 15c2-12.

13. Closing Certificate of City of Buckeye, Arizona.

14. Closing Certificate of Pulte Home Corporation.

15. Receipt and Request for Authentication.

16. Registrar's Certificate of Completion and Authentication.

17. Settlement, Delivery and Closing Procedures; Debt Retirement Schedule.

18. Certificate of the Underwriter Regarding Initial Offering Prices and Credit Enhancement.

19. Receipt for Bonds and Documents.

20. Certificate of Financial Advisor as to Yield on the Bonds.

21. Specimen bond.

22. Copy of Blanket Letter of Representations.

23. Internal Revenue Service Form 8038-G; certificate of mailing.

24. Report to the Arizona State Treasurer; certificate of mailing.

25. Municipal Bond Insurance Policy from Build America Mutual Assurance Company (the "*Insurer*").

26. Supplemental Agreement between the District and the Insurer.

27. Disclosure, No Default and Tax Certificate of the Insurer.

28. Primary Market Disclosure Certificate of the Insurer.

29. Rating Letters
    A. Rating with Insurance (Standard & Poor's "AA")
    B. Underlying Rating (Standard & Poor's "BBB").

30. Official Statement dated June 23, 2016.

31. Preliminary Official Statement dated June 10, 2016.

32. Deemed Final Certificate of the District dated June 10, 2016.

OPINIONS

33. Approving opinion of Gust Rosenfeld P.L.C.

34. Supplemental opinion of Gust Rosenfeld P.L.C.

35. Disclosure opinion of Gust Rosenfeld P.L.C.

36. Opinion of Counsel to Underwriter.

37. Opinion of Counsel to Pulte Home Corporation.

38. Opinion of Counsel to the Insurer.

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

Festival Ranch Community Facilities District (3 CDs)
Clerk, City of Buckeye (1 CD, 1 paper)
Finance Director, City of Buckeye (1 CD)
Pulte Home Corporation (CD)
Gust Rosenfeld P.L.C. (CD)
Zions Bank, a division of ZB, National Association (CD)
FirstSouthwest, a Division of Hilltop Securities Inc. (CD)
Greenberg Traurig, LLP (CD)
Berens, Kozub, Kloberdanz and Blonstein, PLC (CD)
Stifel, Nicolaus & Company, Incorporated (CD)
Build America Mutual Assurance Company (3 CDs)

FEASIBILITY REPORT

FOR THE ISSUANCE OF NOT TO EXCEED $5,600,000 PRINCIPAL AMOUNT

OF

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

GENERAL OBLIGATION BONDS, SERIES 2016

May 17, 2016

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SECTION ONE

INTRODUCTION; PURPOSE OF FEASIBILITY REPORT AND GENERAL DESCRIPTION OF DISTRICT

INTRODUCTION

This Feasibility Report (this "Report") has been prepared for presentation to the Board of Directors of Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "District") in connection with the proposed issuance by the District of its General Obligation Bonds, Series 2016 (the "Bonds") in an aggregate principal amount not to exceed $5,600,000 pursuant to the Community Facilities Act of 1988, Title 48, Chapter 4, Article 6 of Arizona Revised Statutes (the "Act"). The District is authorized to issue not-to-exceed $175,000,000 in principal amount of general obligation bonds pursuant to an election held on May 25, 2005. To date, the District has issued $800,000 aggregate principal amount of General Obligation Bonds, Series 2006; $1,535,000 aggregate principal amount of General Obligation Bonds, Series 2007, $7,600,000 aggregate principal amount of General Obligation Bonds, Series 2009, $5,400,000 aggregate principal amount of General Obligation Bonds, Series 2012, and $1,800,000 aggregate principal amount of General Obligation Bonds, Series 2013 for a total amount of $17,135,000.

PURPOSE OF FEASIBILITY REPORT

This Report has been prepared for consideration of the feasibility and benefits of certain public infrastructure (as defined in A.R.S. 48-701), ("Public Infrastructure"), to be financed by the Bonds, if any are issued and of the plan for financing the 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 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 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, if any are issued. In preparing this Report, employees of Pulte Home Corporation ("Pulte"), the master developer of the property within the District, if any are issued, the underwriter, the financial advisor, bond counsel and staff of the City of Buckeye, Arizona (the "City") that provide services to the District and other persons and experts have been consulted as deemed appropriate.

GENERAL DESCRIPTION OF DISTRICT

Formation of the District was approved by the City on April 19, 2005 upon the request of all of the landowners within the District. The District consists of approximately 4,015 acres within the approximately 10,354 acre master-planned community called Festival Ranch (the "Project"). The Project is located along the Sun Valley Parkway generally between 259th Avenue and the 291st Avenue alignments. Single-family residential units are planned for approximately 3,190 acres within the Project. As of March 31, 2016, Pulte has closed 2,116 residential homes at Sun City Festival (age restricted) and 533 homes at Festival Foothills (non-age restricted), for a total of 2,649 residential homes. It is estimated that the Project will consist of approximately 8,550 homes when build-out is complete. Pulte operates one model complex in Sun City Festival and currently has one selling effort within Festival Foothills and is investigating the opportunity to open a second selling effort in calendar year 2016 depending on market conditions.

In addition to residential development, several community amenities are planned for construction within the District, including two golf courses and multiple recreation centers. Currently, one 18-hole golf course is completed along with a 15,000 sq. ft. golf clubhouse/restaurant/cart barn, a 31,000 sq. ft. recreation center, a softball complex, a 9,000 sq. ft. arts and crafts center are completed within Sun City Festival. Festival Foothills includes and a 12 acre neighborhood park with splash pad and trails. There is a convenience store and gas station to serve the commercial needs of the community.

The total District acreage can be categorized as follows:

Total Project	Approximate District Acres
Single Family Residential Units	3,190
2 Golf Courses	600
Commercial	150
Recreation Centers	75
Total	4,015

The District was created to finance the construction or acquisition of Public Infrastructure within the District. See Section Two for a description of the Public Infrastructure. A legal description of the District is included in Appendix A. Maps of the District are included in Section Three. The acquisition of the Public Infrastructure as defined in this Report is consistent with and furtherance of the approved General Plan of the City.

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 and constructed pursuant to State statutes and the acquisition of which is to be financed by the Bonds, consists of the following:

Project Descriptions	Total Estimated Costs	Certified Engineer's Costs	Paid by Prior Bonds	To be Paid by Series 2016 Bonds	Eligible for funding from Future Bonds
1. **Festival Ranch Wastewater Infrastructure Trunk Sewer Lines** - installation of approx. 11,121 linear feet of sewer lines including engineering, survey, permits and fees, and other labor, tools, and equipment	$3,220,619	$3,220,619	$3,220,619	$0	$0
2. **Sun City Festival Phase I Roadways and Landscaping (Canyon Springs, Desert Oasis, Mountain Ridge & Sun Valley Parkway)** - installation of approx. 4,874 linear feet of Arterial Roadway and ROW Landscaping and 5,942 of Collector Roadway and ROW Landscaping including concrete, paving, storm drainage, landscaping, engineering, survey, permits and fees, and other labor, tools, and equipment	$7,416,732	$7,416,732	$7,416,732	$0	$0
3. **Sun City Festival Phase I Infrastructure Water (Parcel A1, B1, C1 & V1)** - installation of approx. 25,600 linear feet of water lines including engineering, survey, permits and fees, and other labor, tools, and equipment	$1,841,756	$1,841,756	$1,841,756	$0	$0
4. **Festival Ranch Water Reclamation Facility** - installation of a 1 MG Water Reclamation Facility including engineering, survey, permits and fees, and other labor, tools, and equipment	$8,966,703	$8,966,703	$0	$0	$8,966,703
5. **Sun City Festival Phase I Offsite Sewer (Alignment through Parcels D1, E1, S1 & T1)** - installation of approximately 8,663 linear feet of sewer lines including engineering, survey, permits and fees, and other labor, tools, and equipment	$997,203	$997,203	$0	$0	$997,203

	Project Descriptions	Total Estimated Costs	Certified Engineer's Costs	Paid by Prior Bonds	To be Paid by Series 2016 Bonds	Eligible for funding from Future Bonds
6.	**Sun City Festival Water Plant #1, Well #1, Well #2** - Installation of 1.2 MG storage tank and booster pumps at Water Plant #1, and the drilling and equipping of Well #1 and Well #2 producing 6,150 GPM, including the eligible costs for engineering, survey, permit fees, and other required labor, tools, and equipment	$6,754,018	$6,754,018	$4,161,890	$2,592,128	$0
7.	**Festival Foothills Phase I Water Infrastructure Desert Vista Boulevard and Beardsley Parkway (East of CSB)** - installation of approximately 5,400 linear feet of water lines including engineering, survey, permits and fees, and other labor, tools, and equipment	$418,657	$418,657	$0	$418,657	$0
8.	**Festival Foothills Phase I Roadways Desert Vista Blvd & Beardsley Parkway (East of the CSB)** - installation of approximately 1,340 linear feet of Arterial Roadway and 4,050 linear feet of Collector Roadway including grading, concrete, paving, storm drainage, engineering, survey, permits and fees, and other labor, tools, and equipment And **Festival Foothills Phase I Roadway Landscaping Desert Vista Boulevard and Beardsley Parkway (Ease of CSB)**- installation of approximately 1,340 linear feet of arterial rights of way landscaping and 4,050 linear feet of collector rights of way landscaping including landscape architecture, survey, permits and fees, and other labor, tools, and equipment	$2,383,180	$2,383,180	$0	$2,383,180	$0
9.	**Sun City Festival Phase II Infrastructure Water, Sewer (Phase 1), Storm Drain and reclaimed Waterline Phase I**- installation of approximately 7,782 linear feet of waterlines, 1,596 linear feet of sewer, 15,892 linear feet of reclaimed waterline and 1,361 linear feet of storm drain for Mountain Ridge Boulevard, Desert Oasis Boulevard and Canyon Spring Boulevard including engineering, survey, permits and fees, and other labor, tools, and equipment	$2,325,837	$2,325,837	$0	$161,035	$2,164,802

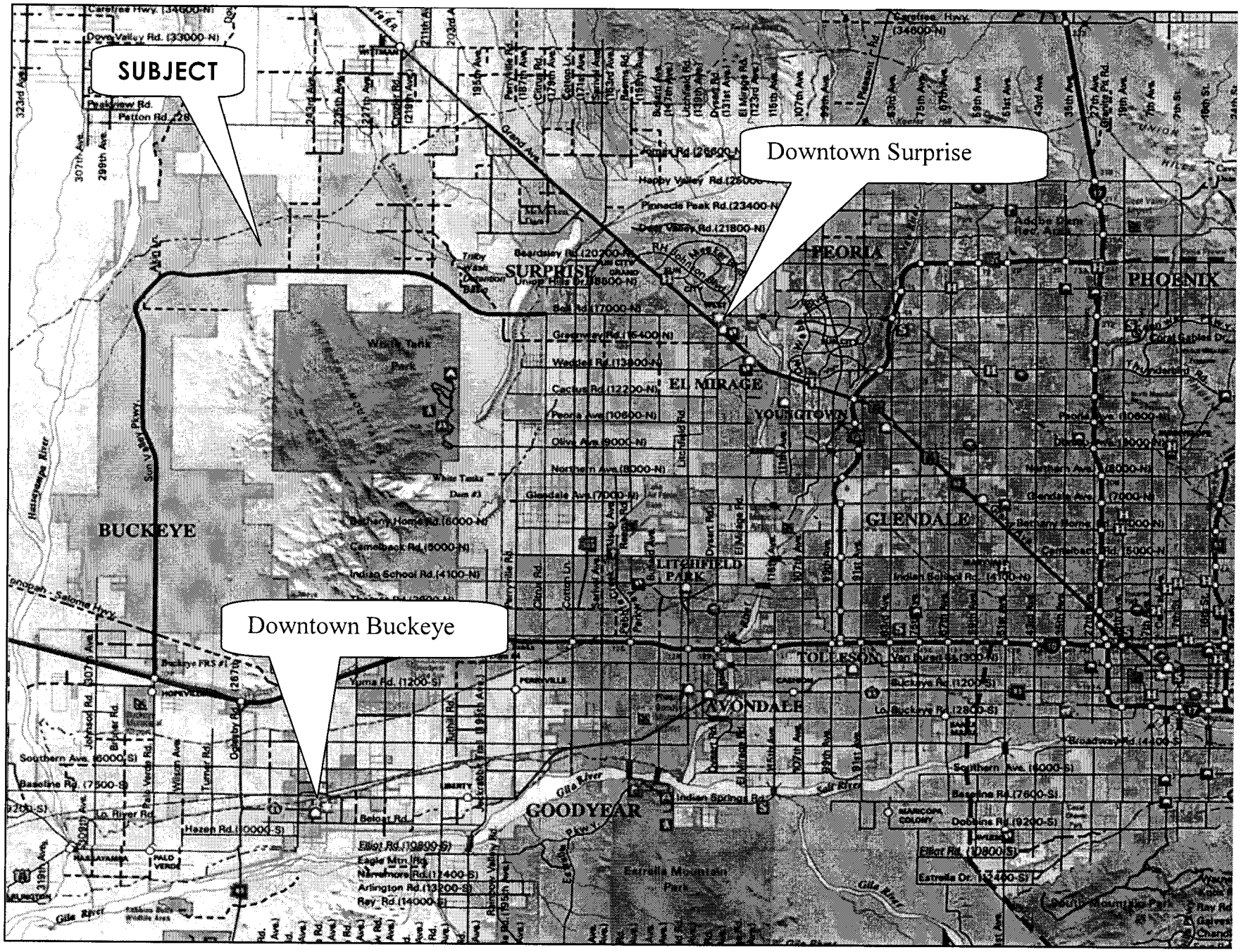
	Project Descriptions	Total Estimated Costs	Certified Engineer's Costs	Paid by Prior Bonds	To be Paid by Series 2016 Bonds	Eligible for funding from Future Bonds
10.	**Sun City Festival Phase II Concrete and Paving Infrastructure to serve Desert Oasis Boulevard and Mountain Ridge Boulevard to serve Parcels D 1-H 1** - Installation of approximately 3,640 linear feet of arterial roadway and 2,100 of collector roadway including paving, engineering, survey, permits and fees, and other labor, tools, and equipment	$2,537,569	$2,537,569	$0	$0	$2,537,569
		$36,862,274	$36,862,274	$16,640,997	$5,555,000	$14,666,277

The Public Infrastructure described above was completed from 2006 to present. Proceeds of the Bonds will be used to finance the acquisition of a portion of the Public Infrastructure. Additional portions of public infrastructure have been completed but are awaiting administrative approval by the District before such public infrastructure is eligible for funding from future bonds. Additional public infrastructure as contemplated by the District's formational documents will be constructed in the future.

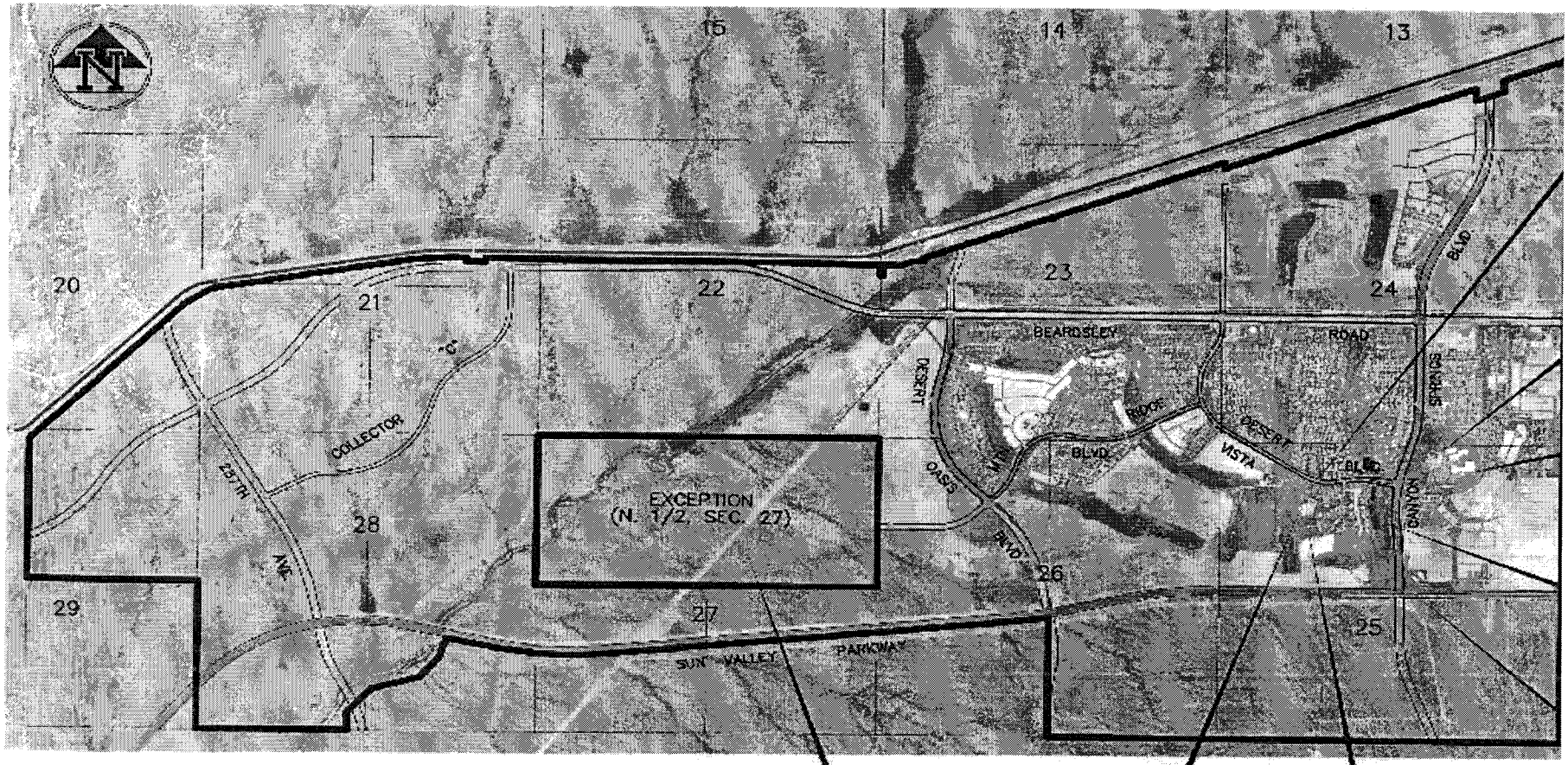
SECTION THREE

MAP OF THE DISTRICT

Location Map



Aerial Photograph of the District



EXCEPTION PARCEL IS OWNED BY THE ARIZONA STATE LAND DEPARTMENT

SAGE CENTER - SWIMMING/SPA

SAGE CENTER - SPORTS

FESTIVAL RANCH
COMMUNITY FACILITIES DISTRICT EXHIBIT

DATE: 12/28/09
NO TO SCALE

SECTION FOUR

PLAN OF FINANCE AND PRELIMINARY DEBT SERVICE SCHEDULE

PLAN OF FINANCE

This Plan of Finance is subject to modification to accommodate market conditions at the time of the actual sale of the Bonds and to the extent necessary to comply with federal and State law.

(i) Formation and Authorization:

In response to a petition from the owners of 100% of the property within the District, the City Council formed the District on April 19, 2005. The landowner (Pulte Home Corporation) authorized, through an election at the time of formation of the District, general obligation bond debt in an amount not to exceed $175,000,000. The remaining authorization prior to the closing of the Bonds is $157,865,000.

The District has previously issued the following series of general obligation bonds:
$800,000, General Obligation Bonds, Series 2006
$1,535,000, General Obligation Bonds, Series 2007
$7,600,000, General Obligation Bonds, Series 2009
$5,400,000, General Obligation Bonds, Series 2012
$1,800,000, General Obligation Bonds, Series 2013

(ii) Proposed Debt Issuance:

The Bonds are anticipated to be issued in June 2016. As indicated in Table One herein, it is currently estimated that the Bonds will have a final maturity of approximately 20-years with principal amortized such that when combined with the debt service on the previous issues referenced above, the result will be aggregate level debt service along with a targeted secondary tax rate of not to exceed $3.00 per $100 of net assessed limited property value (not including the $0.30 per $100 of net assessed limited property value Maintenance and Operation Tax).

(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:

Sources of Funds:	
Principal Amount of Bonds	$ 5,550,000
Pulte Contribution*	288,875
	$ 5,843,875
Uses of Funds:	
Cost of Public Infrastructure	$ 5,550,000
Costs of Issuance	150,000
Underwriting Fee	138,875
	$ 5,843,875

* All costs of issuance and underwriter fees will be paid by Pulte.

(iv) Disclosure of Taxes and Assessments:

A.R.S. Section 32-2181 et seq. requires the disclosure of all property taxes and assessments to be paid by a homeowner in the Arizona Department of Real Estate Subdivision Public Report (the "Public Report"). Each home buyer must be supplied a Public Report and, prior to any home sale, the home buyer must acknowledge by signature that they have read and accepted the Public Report.

In addition, Pulte requires the home buyer to sign an additional form that highlights and discloses the additional taxes as a result of the District financing.

(v) Operation and Maintenance Estimated Revenues and Expenditures:

The Public Infrastructure that may be financed by the District has been dedicated to the City. The obligations pertaining to the operation and maintenance of the Public Infrastructure have been and was the subject of that certain Acceptance and Service Agreement for Water/Wastewater Infrastructure and related appurtenance dated April 3, 2012, relating to Festival Ranch Water Plant No. 1, including Well No. 1 and Well No. 2, negotiated between the City, the District and Pulte and are set forth in various agreements among the parties.

Some or all of the public infrastructure heretofore or hereafter constructed may be and may continue to be supported by City monies (after acceptance of any such public infrastructure by the City), the Maintenance & Operation Tax described herein, Home Owner's Association ("HOA") fees, developer contributions, or some combination of one or more of such revenue sources. Currently the Maintenance & Operation Tax in the District is levied at a rate of $0.30 per $100 of net assessed limited property value. Pursuant to a development agreement among the Project property owners and the City, the master HOA is responsible for the operation and maintenance costs of landscaping for the roadways, trails, and open space within the District. All homeowners are required to participate in the HOA. Monthly fees for the HOA are anticipated to be approximately $97 per homeowner.

Pursuant to a development agreement among the Project property owners and the City, Pulte is required to maintain and repair all infrastructure comprised of streets, parkways and alleys and all appurtenances thereto at its expense for a period of two years from the date the City accepts the infrastructure. Such maintenance shall consist of all maintenance and repair actions reasonably required by customary engineering industry standards for each item of the Public Infrastructure.

FESTIVAL RANCH CFD (CITY OF BUCKEYE, AZ) GENERAL OBLIGATION BONDS, SERIES 2016

Estimated Debt Service and Impact on the Secondary Tax Rate

Scenario 3: Assumes Insurance, 20 - Year Amortization (2036 Final Maturity) & $3.00 Tax Rate

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
				$5,555,000 Series 2016, Bond Sale, Closing 6/1/2016 (a)					
Fiscal Year	Net Limited Assessed Valuation (b)	Total Debt Service (c)	Estimated Tax Rate (d)	Principal	Estimated Interest (e)	Total Debt Service	Estimated Tax Rate	Total Debt Service	Estimated Total Tax Rate (d)
2014/15	$42,693,971	$1,179,223	$2.6636					$1,179,223	$2.6636
2015/16	46,490,826	1,181,148	2.5181					1,181,148	2.5181
2016/17	51,681,976	1,184,850	2.4132	$55,000.00	$236,621	$291,620.56	$0.5925	1,476,470	2.9997
2017/18	51,681,976	1,183,072	2.4096	80,000	209,750	289,750	0.5887	1,472,822	2.9923
2018/19	51,681,976	1,180,066	2.4035	85,000	208,150	293,150	0.5956	1,473,216	2.9931
2019/20	51,681,976	1,180,201	2.4038	90,000	205,600	295,600	0.6006	1,475,801	2.9983
2020/21	51,681,976	1,178,184	2.3997	95,000	202,900	297,900	0.6052	1,476,084	2.9989
2021/22	51,681,976	1,179,191	2.4017	95,000	198,150	293,150	0.5956	1,472,341	2.9913
2022/23	51,681,976	1,178,464	2.4002	100,000	193,400	293,400	0.5961	1,471,864	2.9903
2023/24	51,681,976	1,175,751	2.3947	110,000	188,400	298,400	0.6062	1,474,151	2.9950
2024/25	51,681,976	1,175,964	2.3951	115,000	182,900	297,900	0.6052	1,473,864	2.9944
2025/26	51,681,976	1,176,774	2.3968	120,000	177,150	297,150	0.6037	1,473,924	2.9945
2026/27	51,681,976	1,175,281	2.3938	130,000	171,150	301,150	0.6118	1,476,431	2.9996
2027/28	51,681,976	1,176,231	2.3957	130,000	166,600	296,600	0.6026	1,472,831	2.9923
2028/29	51,681,976	1,174,541	2.3922	140,000	162,050	302,050	0.6137	1,476,591	2.9999
2029/30	51,681,976	1,175,124	2.3934	140,000	157,150	297,150	0.6037	1,472,274	2.9912
2030/31	51,681,976	1,172,751	2.3886	150,000	152,250	302,250	0.6141	1,475,001	2.9967
2031/32	51,681,976	1,171,999	2.3871	155,000	147,000	302,000	0.6136	1,473,999	2.9947
2032/33	51,681,976	1,116,631	2.2743	215,000	141,188	356,188	0.7237	1,472,818	2.9923
2033/34	51,681,976	580,880	1.1831	760,000	133,125	893,125	1.8145	1,474,005	2.9947
2034/35	51,681,976	-	0.0000	1,370,000	104,625	1,474,625	2.9959	1,474,625	2.9959
2035/36	51,681,976	-	0.0000	1,420,000	53,250	1,473,250	2.9931	1,473,250	2.9931
				$5,555,000	$3,391,408	$8,946,408			

(a) Closing date subject to change.

(b) Fiscal years 2014/15 and 2015/16 are actual. 2016/17 estimate recently provided by the County Assessor.

(c) Net of federal interest subsidy on BABs issue.

(d) Fiscal Year 2014/15 and 2015/16 represents actual secondary tax rates for debt service only. Subsequent years include 5.0% delinquency factor.

(e) Bond sale assumes an all-in true interest cost of 4.15% with 20-year amortization - subject to change based on market conditions at the time of sale.

APPENDIX A

LEGAL DESCRIPTION OF THE FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT

December 9, 2004

LEGAL DESCRIPTION FOR
FESTIVAL RANCH
COMMUNITY FACILITY DISTRICT

That part of Sections 13, 20, 21, 22, 23, 24, 25, 26, 27, 28 and 29, Township 4 North, Range 4 West, of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Beginning at the G.L.O. Brass Cap marking the Northeast Corner of said Section 24;

Thence South 00°26'24" West, along the East line of the Northeast Quarter of said Section 24, a distance of 2,640.87 feet to the G.L.O. Brass Cap marking the East Quarter Corner thereof;

Thence South 00°23'56" West, along the East line of the Southeast Quarter of said Section 24, a distance of 2,639.68 feet to the Northeast Corner of said Section 25;

Thence South 00°23'04" West, along the East line of the Northeast Quarter of said Section 25, a distance of 2,642.69 feet to the East Quarter Corner of said Section 25;

Thence South 00°24'50" West, along the East line of the Southeast Quarter of said Section 25, a distance of 2,641.16 feet to the Southeast Corner of said Section 25;

Thence North 89°35'08" West, along the South line of the Southeast Quarter of said Section 25, a distance of 2,641.48 feet to the South Quarter Corner of said Section 25;

Thence North 89°35'25" West, along the South line of the Southwest Quarter of said Section 25, a distance of 2,639.43 feet to the Southeast Corner of said Section 26;

Thence North 89°42'22" West, along the South line of the Southeast Quarter of said Section 26, a distance of 2,630.35 feet to the South Quarter Corner of said Section 26;

Thence North 00°19'01" East, along the North-South mid-section line of said Section 26, a distance of 2,126.51 feet to a point on a 5,575.00 foot radius non-tangent curve, whose center bears North 10°31'05" West, said point also being on the Southerly right-of-way line of Sun Valley Parkway, as recorded in Book 309 of Maps, Page 12, Maricopa County Records;

Thence, along said Southerly right-of-way line of Sun Valley Parkway, the following courses:

Thence Southwesterly, along said curve, through a central angle of 05°06'05", a distance of 496.37 feet;

Thence South 84°32'16" West, a distance of 6,380.94 feet to a point on a 5,575.00 foot radius non-tangent curve, whose center bears North 05°28'11" West;

Thence Westerly, along said curve, through a central angle of 18°10'52", a distance of 1,769.07 feet;

Thence North 77°17'35" West, a distance of 734.70 feet;

Thence South 18°15'19" West, departing said Southerly right-of-way line of Sun Valley Parkway, a distance of 374.09 feet;

Thence South 40°58'02" West, a distance of 464.78 feet;
Thence South 74°21'22" West, a distance of 761.00 feet;
Thence South 41°37'56" West, a distance of 588.43 feet;

Thence South 03°22'04" East, a distance of 301.48 feet to a point on the South line of the Southwest Quarter of said Section 28;

Thence North 89°31'12" West, along said South line, a distance of 2,364.77 feet to the Southwest Corner of said Section 28;

Thence North 00°27'37" East, along the West line of the Southwest Quarter of said Section 28, a distance of 2,642.29 feet to the East Quarter Corner of said Section 29;

Thence North 89°37'25" West, along the East-West mid-section line of said Section 29, a distance of 2,642.10 feet to the Center of said Section 29;

Thence North 00°30'30" East, along the North-South mid-section line of said Section 29, a distance of 2,481.52 feet to a point on the Southerly right-of-way line of the Central Arizona Project Canal;

Thence, along said Southerly right-of-way line of the Central Arizona Project Canal, the following courses:

Thence North 44°33'22" East, a distance of 3,419.52 feet;
Thence North 56°59'46" East, a distance of 496.13 feet;
Thence North 80°26'29" East, a distance of 3,220.32 feet;
Thence North 85°39'45" East, a distance of 497.23 feet;
Thence South 89°08'59" East, a distance of 293.06 feet;
Thence South 00°51'01" West, a distance of 74.97 feet;
Thence South 89°07'56" East, a distance of 300.00 feet;
Thence North 01°19'16" East, a distance of 75.03 feet;

Thence South 89°08'59" East, a distance of 6,130.87 feet to a point on the West line of the Northwest Quarter of said Section 23;

Thence South 00°22'19" West, departing said Southerly right-of-way line, along the West line of the Northwest Quarter of said Section 23, a distance of 200.79 feet to a point on the Southerly line of certain parcel of land described in Docket 13238, Page 640, Maricopa County Records;

Thence, along said Southerly line of Docket 13238, Page 640, the following courses:

Thence South 89°36'50" East, a distance of 33.00 feet;
Thence North 00°22'19" East, a distance of 200.50 feet;
Thence South 89°06'32" East, a distance of 285.89 feet;

Thence North 69°27'36" East, a distance of 174.40 feet to a point on the South line of the North 792.00 feet of the West 660.00 feet of the South Half of the Northwest Quarter of said Section 23;

Thence South 89°36'50" East, departing said Southerly line of Docket 13238, Page 640, and along said South line of the North 792.00 feet of the West 660.00 feet, a distance of 178.21 feet to a point on the East line of said West 660.00 feet of the North 792.00 feet;

Thence North 00°22'19" East, along said East line, a distance of 68.14 feet to a point on the Southerly right-of-way line of the Central Arizona Project Canal;

Thence, along said Southerly right-of-way line of the Central Arizona Project Canal, the following courses:

Thence North 69°27'36" East, a distance of 2,026.68 feet to a point on the North line of the South Half of the Northwest Quarter of said Section 23;

Thence South 89°36'50" East, along said North line, a distance of 90.13 feet to the Northeast corner of the South Half of the Northwest Quarter of said Section 23;

Thence North 00°27'52" East, along the North-South mid-section line of said Section 23, a distance of 34.37 feet;

Thence North 69°28'27" East, a distance of 2,820.53 feet to a point on the West line of the Northwest Quarter of said Section 24;

Thence South 00°22'48" West, along said West line, a distance of 106.56 feet;

Thence North 69°28'05" East, a distance of 1,086.54 feet to a point on the South line of the Southwest Quarter of said Section 13;

Thence North 69°27'37" East, a distance of 1,740.17 feet to a point on the North-South mid-section line of said Section 13;

Thence North 69°27'38" East, a distance of 1,296.88 feet;

Thence South 00°00'00" East, departing said Southerly right-of-way line, a distance of 213.58 feet to a point on a line which is parallel with and 200.00 feet Southerly, as measured at right angles, from the Southerly right-of-way line of the Central Arizona Project Canal;

Thence North 69°27'38" East, along said parallel line, a distance of 464.53 feet;

Thence North 00°00'00" East, a distance of 213.58 feet to a point on the Southerly right-of-way line of the Central Arizona Project Canal;

Thence North 69°27'38" East, along said Southerly right-of-way line, a distance of 1,067.33 feet to a point on the East line of the Southeast Quarter of said Section 13;

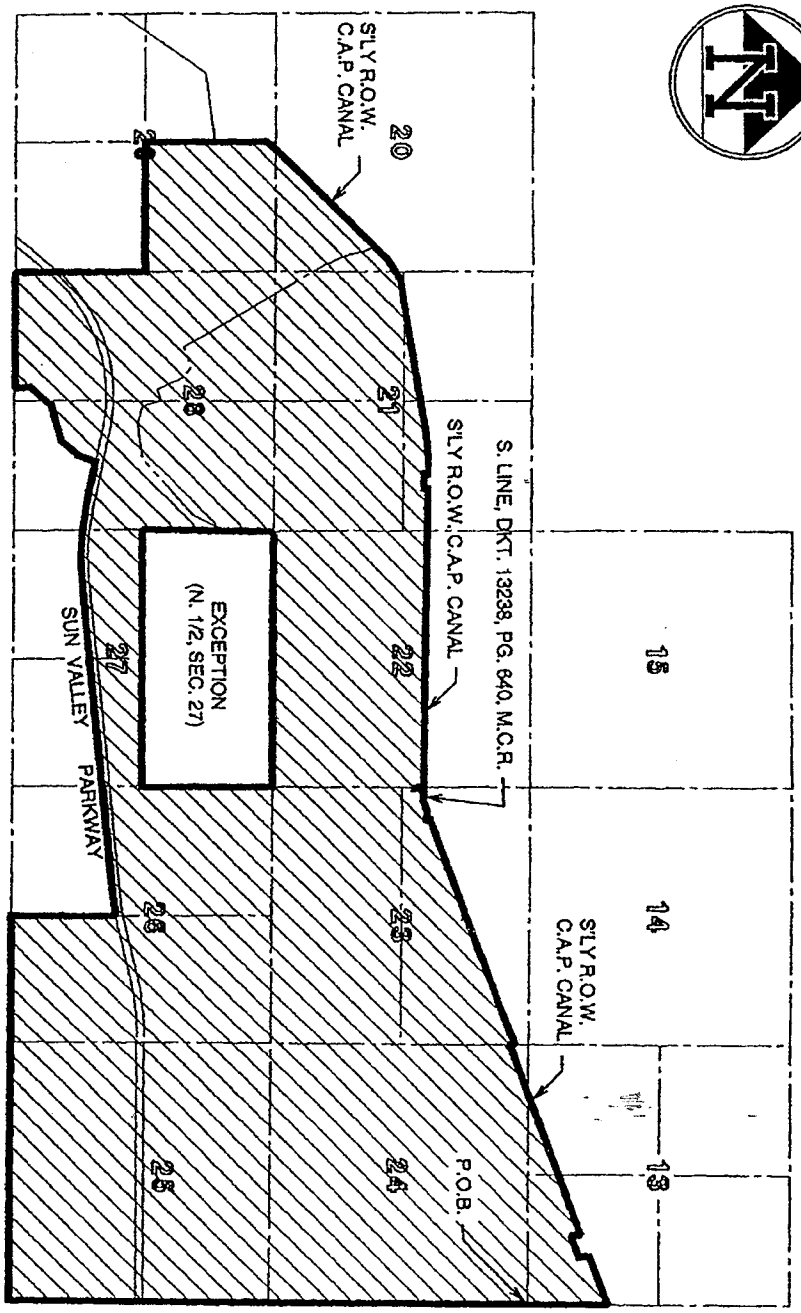
Thence South 00°24'51" West, departing said Southerly right-of-way line along said East line, a distance of 1,633.09 feet to the Point of Beginning.

EXCEPT THE FOLLOWING DESCRIBED PARCEL OF LAND:

The North Half of Section 27, Township 4 North, Range 4 West, of the Gila and Salt River Meridian, Maricopa County, Arizona,

Containing 4,015.490 Acres, more or less.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
36562
FRED W.
KLEIN III
Date Signed 12/9/04
ARIZONA, U.S.A.



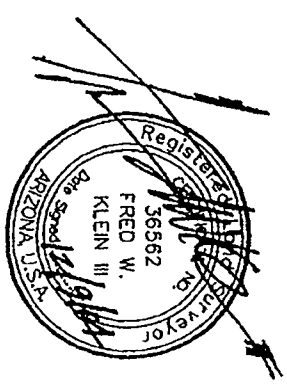


EXHIBIT N:\680001\LAND\EH-CFD.DGN	FESTIVAL RANCH COMMUNITY FACILITY DISTRICT	JOB NO 680001
4550 NORTH 12TH STREET PHOENIX, ARIZONA 85014 TELEPHONE (602) 264-6831	COE & VAN LOO PLANNING • ENGINEERING • LANDSCAPE ARCHITECTURE	SHEET 1 OF 1

AFFIDAVIT OF PUBLICATION

City Clerk
JUN 01 2016
Received

BUCKEYE VALLEY NEWS, LLC.

STATE OF ARIZONA
COUNTY OF MARICOPA } SS.

Marlene M. Turner, being first duly sworn, upon oath deposes and says: That she is a legal advertising representative of the Buckeye Valley News, LLC., a newspaper of general circulation in the county of Maricopa, State of Arizona, published in Buckeye, Arizona, and that the copy hereto attached is a true copy of the advertisement published in the said paper on the dates as indicated.

Buckeye Valley News, LLC.

PUBLIC NOTICE

NOTICE OF PUBLIC HEARING

TO THE GENERAL PUBLIC AND THE MEMBERS OF THE BOARD OF DIRECTORS OF FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA):

NOTICE IS HEREBY GIVEN that the Board of Directors of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) will meet on May 17, 2016, commencing immediately following the regularly scheduled meeting of the Mayor and Council of the City of Buckeye, which meeting will begin at 6:00 p.m. and will be held in the City Council Chambers, 530 E. Monroe Avenue, Buckeye, Arizona 85326, to conduct a public hearing on, and to consider and review a feasibility report relative to the proposed project to be financed by the issuance of general obligation bonds of Festival Ranch Community Facilities District. A copy of the feasibility report may be reviewed at the office of the District Clerk, 530 E. Monroe Avenue, Buckeye, Arizona 85326.

Publication Date:
May 5, 2016

Marlene M. Turner
Authorized Representative of
Buckeye Valley News, LLC.

Subscribed and sworn to before me this
5th day of
May, 2016

OFFICIAL SEAL
KAREN WILLIAMS
Notary Public - State of Arizona
MARICOPA COUNTY
My Comm. Expires July 19, 2016

Karen Williams
Notary Public

PUBLIC NOTICE

NOTICE OF PUBLIC HEARING

TO THE GENERAL PUBLIC AND THE MEMBERS OF THE BOARD OF DIRECTORS OF FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA):

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Published in the Buckeye Valley News May 5, 2016.

PUBLIC NOTICE

NOTICE OF PUBLIC HEARING

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Published in the Buckeye Valley News May 5, 2016.

BUCKEYE, AZ

PLEASE SILENCE ALL ELECTRONIC COMMUNICATION DEVICES. THANK YOU.

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

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

ANTHEM SUN VALLEY COMMUNITY FACILITIES DISTRICT
ELIANTO COMMUNITY FACILIITES 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

MAY 17, 2016
AGENDA

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

1. Call to Order/Roll Call

2. Expenditures
Board to take action on the request to ratify expenditures for the 3rd Quarter of Fiscal Year 2015-2016 for the following Community Facilities Districts:

Anthem Sun Valley
Elianto
Festival Ranch
Mirielle
Sundance
Tartesso West
Trillium
Verrado District 1
Verrado Western Overlay
Watson Road
Westpark

3. **Board to hold a Public Hearing take action on Resolution No. 03-16 (Festival Ranch) approving the Feasibility Report relating to the acquisition and financing of certain improvements benefiting the District; declaring its preliminary intention to issue not to exceed $5,600,000 General Obligation Bonds to finance the acquisition of certain improvements as described in the Feasibility Report relating to such improvements pursuant to the provisions of Title 48, Chapter 4, Article 6, Arizona Revised Statutes, and all amendments thereto.**

Summary: The proceeds of the proposed General Obligation (GO) Bonds would be used to acquire certain public infrastructure in the District. This public infrastructure will encourage residential and commercial development. There is no cost to the City; should bonds be issued, they will be an obligation of the District. The bonds will be payable solely from ad valorem taxes levied against the taxable property of the District. Costs of the bond issuance are payable by the Developer (Pulte Home Corporation).
Staff Liaison: Larry D. Price, Finance Director, (623) 349-6164, lprice@buckeyeaz.gov

4. **Board to take action on Resolution No. 04-16 (Festival Ranch) authorizing the issuance of its General Obligation Bonds, Series 2016; approving the form and authorizing the execution and delivery of a Bond Registrar, Transfer Agent and Paying Agent Contract, a Purchase Contract relating to the Bonds and certain other documents relating to the Bonds; awarding the Bonds to the purchaser thereof; ratifying and approving a Preliminary Official Statement relating to the Bonds; levying an ad valorem tax on taxable property in the District; and appointing a Registrar, Transfer Agent and Paying Agent for the Bonds.**

Summary: The proceeds of the proposed General Obligation (GO) Bonds would be used to acquire certain public infrastructure in the District. This public infrastructure will encourage residential and commercial development. There is no cost to the City; should bonds be issued, they will be an obligation of the District. The bonds will be payable solely from ad valorem taxes levied against the taxable property of the District. Costs of the bond issuance are payable by the Developer (Pulte Home Corporation).
Staff Liaison: Larry D. Price, Finance Director, (623) 349-6164, lprice@buckeyeaz.gov

5. **Board to discuss and provide possible direction regarding Fiscal Year 2016-2017 tentative budget scenarios for Verrado District 1 CFD.**

Summary: DMB Associates will present to the Board Fiscal Year (FY) 2016-2017 tentative budget scenarios for Verrado District 1 CFD. After discussion and consideration, the Board may provide possible direction regarding the selection of a FY 2016-2017 tentative budget for approval at a later date.
Staff Liaison: Larry D. Price, Finance Director, (623) 349-6164, lprice@buckeyeaz.gov

6. **Board to discuss and provide possible direction regarding Fiscal Year 2016-2017 tentative budget scenarios for Verrado Western Overlay CFD.**

Summary: DMB Associates will present to the Board Fiscal Year (FY) 2016-2017 tentative budget scenarios for Verrado Western Overlay CFD. After discussion and consideration, the Board may provide possible direction regarding the selection of a FY 2016-2017 tentative budget for approval at a later date.
Staff Liaison: Larry D. Price, Finance Director, (623) 349-6164, lprice@buckeyeaz.gov

7. **Citizen Input/Appearances from the Floor.**

8. **The Board will make a motion to adjourn the meeting.**

BUCKEYE, AZ

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

ANTHEM SUN VALLEY COMMUNITY FACILITIES DISTRICT
ELIANTO COMMUNITY FACILIITES 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

MAY 17, 2016
MINUTES

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

1. Call to Order/Roll Call
Chairman Meck called the meeting to order at 6:25 p.m.

Members Present:	Board Member Garza, Board Member Strauss, Board Member Orsborn, Board Member McAchran, Board Member Heustis, Vice Chair Hess, and Chairman Meck.
Members Absent:	None.
Departments Present:	District Manager Stephen Cleveland, Assistant District Manager Roger Klingler, District Attorney Scott Ruby, District Clerk Lucinda Aja, Deputy District Clerk Summer Stewart, Assistant to Board Carol Conley, Finance Director Larry Price, and Information Technology Director Greg Platacz.

2. Expenditures
A motion was made by Board Member McAchran and seconded by Board Member Heustis ratify expenditures for the 3rd Quarter of Fiscal Year 2015-2016 for the following Community Facilities Districts:

Anthem Sun Valley
Elianto
Festival Ranch
Mirielle
Sundance
Tartesso West
Trillium
Verrado District 1
Verrado Western Overlay
Watson Road
Westpark

Motion passed unanimously.

3. Board to hold a Public Hearing take action on Resolution No. 03-16 (Festival Ranch) approving the Feasibility Report relating to the acquisition and financing of certain improvements benefiting the District; declaring its preliminary intention to issue not to exceed $5,600,000 General Obligation Bonds to finance the acquisition of certain improvements as described in the Feasibility Report relating to such improvements pursuant to the provisions of Title 48, Chapter 4, Article 6, Arizona Revised Statutes, and all amendments thereto.
Staff Liaison: Larry D. Price, Finance Director

Chairman Meck opened a public hearing at 6:25 p.m. to hear citizen input regarding Resolution No. 03-16 (Festival Ranch) approving the Feasibility Report relating to the acquisition and financing of certain improvements benefiting the District; declaring its preliminary intention to issue not to exceed $5,600,000 General Obligation Bonds to finance the acquisition of certain improvements as described in the Feasibility Report relating to such improvements. Mr. Price provided an overview of the request to approve the Feasibility Report; the proceeds of the proposed General Obligation (GO) Bonds would be used to acquire certain public infrastructure in the District. This public infrastructure will encourage residential and commercial development. There is no cost to the City; should bonds be issued, they will be an obligation of the District. The bonds will be payable solely from ad valorem taxes levied against the taxable property of the District. Costs of the bond issuance are payable by the Developer (Pulte Home Corporation). There being no further comment, Chairman Meck closed the public hearing at 6:30 p.m. A motion was made by Board Member Heustis and seconded by Board Member McAchran to adopt Resolution No. 03-16 (Festival Ranch) approving the Feasibility Report relating to the acquisition and financing of certain improvements benefiting the District; declaring its preliminary intention to issue not to exceed $5,600,000 General Obligation Bonds to finance the acquisition of certain improvements as described in the Feasibility Report relating to such improvements pursuant to the provisions of Title 48, Chapter 4, Article 6, Arizona Revised Statutes, and all amendments thereto. Board Member Garza, Board Member Orsborn, Vice Chair Hess, and Chairman Meck voted aye. Board Member Strauss voted nay. Motion carried.

4. **Board to take action on Resolution No. 04-16 (Festival Ranch) authorizing the issuance of its General Obligation Bonds, Series 2016; approving the form and authorizing the execution and delivery of a Bond Registrar, Transfer Agent and Paying Agent Contract, a Purchase Contract relating to the Bonds and certain other documents relating to the Bonds; awarding the Bonds to the purchaser thereof; ratifying and approving a Preliminary Official Statement relating to the Bonds; levying an ad valorem tax on taxable property in the District; and appointing a Registrar, Transfer Agent and Paying Agent for the Bonds.**
Staff Liaison: Larry D. Price, Finance Director

Mr. Price provided an overview of the request to authorize the issuance of General Obligation Bonds, Series 2016; the proceeds of the proposed General Obligation (GO) Bonds would be used to acquire certain public infrastructure in the District. This public infrastructure will encourage residential and commercial development. There is no cost to the City; should bonds be issued, they will be an obligation of the District. The bonds will be payable solely from ad valorem taxes levied against the taxable property of the District. Costs of the bond issuance are payable by the Developer (Pulte Home Corporation). A motion was made by Board Member Heustis and seconded by Board Member Orsborn to adopt Resolution No. 04-16 (Festival Ranch) authorizing the issuance of its General Obligation Bonds, Series 2016; approving the form and authorizing the execution and delivery of a Bond Registrar, Transfer Agent and Paying Agent Contract, a Purchase Contract relating to the Bonds and certain other documents relating to the Bonds; awarding the Bonds to the purchaser thereof; ratifying and approving a Preliminary Official Statement relating to the Bonds; levying an ad valorem tax on taxable property in the District; and appointing a Registrar, Transfer Agent and Paying Agent for the Bonds. Board Member Garza, Board Member Orsborn, Vice Chair Hess, and Chairman Meck voted aye. Board Member Strauss voted nay. Motion carried.

5. **Board to discuss and provide possible direction regarding Fiscal Year 2016-2017 tentative budget scenarios for Verrado District 1 CFD.**
Staff Liaison: Larry D. Price, Finance Director

Jeremiah Hood, DMB Associates Director of Finance, presented to the Board Fiscal Year (FY) 2016-2017 tentative budget scenarios for Verrado District 1 CFD. After discussion and consideration, the Board provided direction regarding the selection of a FY 2016-2017 Verrado District 1 CFD tentative budget for approval at a later date.

6. **Board to discuss and provide possible direction regarding Fiscal Year 2016-2017 tentative budget scenarios for Verrado Western Overlay CFD.**
Staff Liaison: Larry D. Price, Finance Director

Jeremiah Hood, DMB Associates Director of Finance, presented to the Board Fiscal Year (FY) 2016-2017 tentative budget scenarios for Verrado Western Overlay CFD. After discussion and consideration, the Board provided direction regarding the selection of a FY 2016-2017 Verrado Western Overlay CFD tentative budget for approval at a later date.

7. **Citizen Input/Appearances from the Floor** - None.

8. The Board will make a motion to adjourn the meeting.

A motion was made by Board Member Orsborn and seconded by Vice Chair Hess to adjourn the meeting at 6:45 p.m. Motion passed unanimously.

_____
Jackie A. Meck, Chairman

ATTEST:

_____
Lucinda J. Aja, District Clerk

I hereby certify that the foregoing minutes are a true and correct copy of the Joint Community Facilities District Meeting held on the 17th day of May, 2016. I further certify that a quorum was present.

_____
Lucinda J. Aja, District Clerk

CERTIFIED CLERK COPY

RESOLUTION NO. 03-16 (Festival Ranch)

RESOLUTION OF THE BOARD OF DIRECTORS OF FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA), APPROVING THE FEASIBILITY REPORT RELATING TO THE ACQUISITION AND FINANCING OF CERTAIN IMPROVEMENTS BENEFITING THE DISTRICT; DECLARING ITS PRELIMINARY INTENTION TO ISSUE NOT TO EXCEED $5,600,000 GENERAL OBLIGATION BONDS TO FINANCE THE ACQUISITION OF CERTAIN IMPROVEMENTS AS DESCRIBED IN THE FEASIBILITY REPORT RELATING TO SUCH IMPROVEMENTS PURSUANT TO THE PROVISIONS OF TITLE 48, CHAPTER 4, ARTICLE 6, ARIZONA REVISED STATUTES, AND ALL AMENDMENTS THERETO.

WHEREAS, pursuant to Arizona Revised Statues ("*A.R.S.*") § 48-715, as amended, the Board of Directors of Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "*District*"), has caused a study 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 (as defined in the Act) provided for in the General Plan of the District and to be financed with the proceeds of the sale of general obligation bonds of the District (the "*Report*"), which Report includes, among other things, a description of certain public infrastructure to be acquired and all other information useful to understand the Project, an estimate of the cost to acquire, operate and maintain the Project, an estimated schedule for completion of the Project, a map or description of the area to be benefited by the Project and a plan for financing the Project, a copy of which is on file with the District Clerk; and

WHEREAS, pursuant to A.R.S. § 48-715, as amended, a public hearing on the Report was held on the date hereof, after provision for publication and mailing of notice thereof as provided by law;

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

Section 1. ***Definitions.*** In this resolution, the following terms shall have the following meanings:

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

"*Board*" shall mean this Board of Directors of the District.

"*Bonds*" shall mean the District's General Obligation Bonds, Series 2016.

"*District*" shall mean Festival Ranch Community Facilities District (City of Buckeye, Arizona).

"*District Clerk*" shall mean the Clerk of the District.

"*Project*" shall mean the acquisition of public infrastructure (as such term is defined in the Act) described in the Report, including particularly the acquisition by the District of the improvements described on *Exhibit A* hereto.

"*Report*" shall mean the Feasibility Report dated May 17, 2016, pertaining to the Project on file with the Clerk prior to the date and time hereof, discussing the matters required by A.R.S. § 48-715, as amended, as such matters relate to the Project.

Section 2. **Approval of Feasibility Report.** Published notice of the public hearing on the Report has been provided by the District 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 District Clerk has provided the Report and notice of public hearing on the Report to the governing body of the City of Buckeye, Arizona, not less than ten (10) days in advance of the date of the public hearing. Based on the review by the Board and the presentation of the Report at the public hearing on May 17, 2016, the Report is hereby adopted and approved in the form submitted to the Board.

Section 3. **Resolution of Intent.** Pursuant to A.R.S. § 48-715, as amended, this Board hereby identifies the public infrastructure of the Project, the areas benefited, 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. 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. **Preliminary Intent to Issue and Sell Bonds.** The Board hereby declares its intent to proceed with the financing of the Project in substantially the manner presented in the Report, and if such financing is consummated, to acquire the Project. Nothing contained in this Resolution shall be construed to limit the Board's sole, unfettered discretion in making its final decision to issue bonds to finance the Project.

PASSED, ADOPTED AND APPROVED on May 17, 2016.

Jackie A. Meck, District Chairman

ATTEST:

District Clerk

APPROVED AS TO FORM:

Gust Rosenfeld P.L.C.
Bond Counsel

ZDS:dlh 2595381.1 4/27/2016

CERTIFICATE

I hereby certify that the above and foregoing Resolution was duly passed by the District Board of Directors of Festival Ranch Community Facilities District (City of Buckeye, Arizona) at a regular meeting held on May 17, 2016, and that a quorum was present thereat and that the vote thereon was 6 ayes and 1 nays; 0 did not vote or were absent.

District Clerk

ZDS:dlh 2595381.1 4/27/2016

EXHIBIT A

"Project" shall mean the acquisition of public infrastructure (as such term is defined in the Act) described in the Report, including particularly the acquisition by the District of the following:

Description	Total Estimated Costs	Certified Engineer's Costs	Paid by Prior Bonds	To be paid by Series 2016 Bonds	Eligible for Funding from Future Bonds
1. Festival Ranch Wastewater Infrastructure Trunk Sewer Lines - installation of approx. 11,121 linear feet of sewer lines including engineering, survey, permits and fees, and other labor, tools, and equipment	$3,220,619	$3,220,619	$3,220,619	$0	$0
2. Sun City Festival Phase I Roadways and Landscaping (Canyon Springs, Desert Oasis, Mountain Ridge & Sun Valley Parkway) - installation of approx. 4,874 linear feet of Arterial Roadway and ROW Landscaping and 5,942 of Collector Roadway and ROW Landscaping including concrete, paving, storm drainage, landscaping, engineering, survey, permits and fees, and other labor, tools, and equipment	$7,416,732	$7,416,732	$7,416,732	$0	$0
3. Sun City Festival Phase I Infrastructure Water (Parcel A1, B1, C1 & V1) - installation of approx. 25,600 linear feet of water lines including engineering, survey, permits and fees, and other labor, tools, and equipment	$1,841,756	$1,841,756	$1,841,756	$0	$0
4. Festival Ranch Water Reclamation Facility - installation of a 1 MG Water Reclamation Facility including engineering, survey, permits and fees, and other labor, tools, and equipment	$8,966,703	$8,966,703	$0	$0	$8,966,703

Description	Total Estimated Costs	Certified Engineer's Costs	Paid by Prior Bonds	To be paid by Series 2016 Bonds	Eligible for Funding from Future Bonds
5. Sun City Festival Phase I Offsite Sewer (Alignment through Parcels D1, E1, S1 & T1) - installation of approximately 8,663 linear feet of sewer lines including engineering, survey, permits and fees, and other labor, tools, and equipment	$997,203	$997,203	$0	$0	$997,203
6. Sun City Festival Water Plant #1, Well #1, Well #2 - Installation of 1.2 MG storage tank and booster pumps at Water Plant #1, and the drilling and equipping of Well #1 and Well #2 producing 6,150 GPM, including the eligible costs for engineering, survey, permit fees, and other required labor, tools, and equipment	$6,754,018	$6,754,018	$4,161,890	$2,592,128	$0
7. Festival Foothills Phase I Water Infrastructure Desert Vista Boulevard and Beardsley Parkway (East of CSB) - installation of approximately 5,400 linear feet of water lines including engineering, survey, permits and fees, and other labor, tools, and equipment	$418,657	$418,657	$0	$418,657	$0
8. Festival Foothills Phase I Roadways Desert Vista Blvd & Beardsley Parkway (East of the CSB) - installation of approximately 1,340 linear feet of Arterial Roadway and 4,050 linear feet of Collector Roadway including grading, concrete, paving, storm drainage, engineering, survey, permits and fees, and other labor, tools, and equipment; AND **Festival Foothills Phase I Roadway Landscaping Desert Vista Boulevard and Beardsley Parkway (Ease of CSB)-** installation of approximately 1,340 linear feet of arterial rights of way landscaping and 4,050 linear feet of collector rights of way landscaping including landscape architecture, survey, permits and fees, and other labor, tools, and equipment	$2,383,180	$2,383,180	$0	$2,383,180	$0

Description	Total Estimated Costs	Certified Engineer's Costs	Paid by Prior Bonds	To be paid by Series 2016 Bonds	Eligible for Funding from Future Bonds
9. Sun City Festival Phase II Infrastructure Water, Sewer (Phase 1), Storm Drain and reclaimed Waterline Phase I- installation of approximately 7,782 linear feet of waterlines, 1,596 linear feet of sewer, 15,892 linear feet of reclaimed waterline and 1,361 linear feet of storm drain for Mountain Ridge Boulevard, Desert Oasis Boulevard and Canyon Spring Boulevard including engineering, survey, permits and fees, and other labor, tools, and equipment	$2,325,837	$2,325,837	$0	$161,035	$2,164,802
10. Sun City Festival Phase II Concrete and Paving Infrastructure to serve Desert Oasis Boulevard and Mountain Ridge Boulevard to serve Parcels D 1-H 1 - Installation of approximately 3,640 linear feet of arterial roadway and 2,100 of collector roadway including paving, engineering, survey, permits and fees, and other labor, tools, and equipment	$2,537,569	$2,537,569	$0	$0	$2,357,569
	$36,862,274	$36,862,274	$16,640,997	$5,555,000	$14,666,277

ZDS:dlh 2595381.1 4/27/2016

CERTIFIED CLERK COPY

RESOLUTION NO. 04-16 (Festival Ranch)

A RESOLUTION OF THE DISTRICT BOARD OF FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA) AUTHORIZING THE ISSUANCE OF ITS GENERAL OBLIGATION BONDS, SERIES 2016; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT CONTRACT, A PURCHASE CONTRACT RELATING TO THE BONDS AND CERTAIN OTHER DOCUMENTS RELATING TO THE BONDS; AWARDING THE BONDS TO THE PURCHASER THEREOF; RATIFYING AND APPROVING A PRELIMINARY OFFICIAL STATEMENT RELATING TO THE BONDS; APPROVING A FINAL OFFICIAL STATEMENT RELATING TO THE BONDS; LEVYING AN AD VALOREM TAX ON TAXABLE PROPERTY IN THE DISTRICT; AND APPOINTING A REGISTRAR, TRANSFER AGENT AND PAYING AGENT FOR THE BONDS.

BE IT RESOLVED by the Board of Directors ("*District Board*") of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "*District*") as follows:

1. **Findings**. (a) Pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended (the "*Enabling Act*") and a resolution adopted by the District Board, an election was ordered and called to submit to the qualified electors of the District or to those persons who are otherwise qualified to vote (the "*Election*") the question of authorizing the District Board to issue general obligation bonds of the District to provide moneys for certain public infrastructure purposes consistent with the General Plan of the District.

(b) The District Board canvassed the Election and resolved that such bonds were authorized to be issued.

(c) Pursuant to the Enabling Act, the District Board has caused a study of the feasibility and benefits of the projects relating to certain public infrastructure (as defined in the Enabling Act) provided for in the General Plan of the District and to be financed with proceeds of the sale of a portion of such bonds, such study having been prepared by or on behalf of the District and including a description of certain public infrastructure to be acquired and all other information useful to understand the projects, a map showing, in general, the location of the projects, the costs of constructing the projects, an estimate of the cost to acquire, operate and maintain the projects, a map or description of the area to be benefited by the projects, and a plan for financing the projects (the "*Feasibility Report*"). A public hearing on the Feasibility Report was held May 17, 2016, after provision of publication of notice of the hearing as provided by law. Pursuant to the Enabling Act and a resolution adopted on May 17, 2016, the Feasibility Report was approved in all respects.

(d) The District Board has determined, exercising its sole and unfettered discretion, to authorize the issuance of the general obligation bonds described herein (the "*Bonds*") to provide funds for all or a portion of the public infrastructure purposes provided for in the Enabling Act and the Feasibility Report, to the extent authorized in the Election. Upon issuance of the Bonds, the District Board (1) shall enter in its minutes a record of the Bonds sold and their numbers and dates and (2) shall levy and cause an ad valorem tax to be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable property in the boundaries of the District sufficient, together with moneys from the sources described herein, to pay Debt Service as such term is defined in the Enabling Act).

(e) Pursuant to the Enabling Act, the District has also determined to enter into a Bond Registrar, Transfer Agent and Paying Agent Contract, dated as of June 1, 2016 or such other date as

set forth therein (the "*Registrar/Paying Agent Contract*"), between the District and Zions Bank, a division of ZB, National Association, as registrar, transfer agent and paying agent (the "*Registrar*" and the "*Paying Agent*" as the case may be), to secure, and process the issuance, registration, transfer and payment of the Bonds. The District Board has determined by this resolution to authorize the issuance of the Bonds and, in order to provide terms for, to secure, and to provide for authentication and delivery of the Bonds by the Registrar, to authorize the execution and delivery of the Registrar/Paying Agent Contract.

(f) There have been presented in connection herewith (1) the proposed form of the Registrar/Paying Agent Contract, (2) the proposed form of the Purchase Contract relating to the Bonds (the "*Purchase Contract*"), by and between the District and Stifel, Nicolaus & Company, Incorporated (the "*Underwriter*"), and such Underwriter is providing its services pursuant to the Strategic Alliance of Volume Expenditures (SAVE) Cooperative Response Proposal #C-007-1213, (3) the proposed form of the Dissemination Agency Agreement between the District and David Taussig & Associates, Inc., as dissemination agent, (4) the proposed form of the Preliminary Official Statement relating to the Bonds (the "*Preliminary Official Statement*"), and which, with such completions and changes as may be necessary will constitute the form of the Final Official Statement for the Bonds (the "*Final Official Statement*"), and (5) the proposed form of the Continuing Disclosure Undertaking (the documents described in clauses (1) through (5), inclusive, are referred to, collectively, as the "*Bond Documents*".)

(g) The District Board hereby finds and determines that (1) the amount of indebtedness evidenced by the Bonds does not exceed the estimated cost of the public infrastructure improvements plus all costs connected with the public infrastructure purposes and issuance and sale of the Bonds to be financed therewith as indicated in the Feasibility Report and (2) the total aggregate outstanding amount of the Bonds and bonds previously issued does not exceed sixty percent (60%) of the aggregate of the estimated market value of the real property and improvements in the District after the public infrastructure of the District is acquired by the District with proceeds of the Bonds all as provided in the Enabling Act.

(h) The Underwriter has made the District Board aware of the fact that the Bonds are expected to receive an underlying rating from Standard & Poor's Financial Services, LLC in one of the four highest investment grade ratings. The District Board hereby delegates to the District Manager the authority to finalize and accept such rating. If such rating is determined by the District Manager to be one of the four highest investment grade ratings, such rating will qualify the Bonds to be sold in a public offering for purposes of the Enabling Act and all other purposes.

2. **Approval of Issuance**. The Bonds are hereby authorized to be issued as a series of general obligation bonds of the District to be designated *"Festival Ranch Community Facilities District (City of Buckeye, Arizona) General Obligation Bonds, Series 2016*" in an aggregate principal amount of not to exceed $5,600,000. The Bonds shall be in fully registered form only, shall be dated as of their date of initial issuance and shall bear interest at rates and mature on the dates and in the amounts as set forth in the Purchase Contract. The first interest payment date will be as set forth in the Purchase Contract, and interest will be payable semiannually thereafter on each succeeding January 15 and July 15 (each such date shall be referred to as an "*Interest Payment Date*") during the term of the Bonds. The interest rate on the Bonds shall not exceed the rate authorized in the ballot approved at the Election and the final maturity of the Bonds shall be no later than July 15, 2036. As initially issued, the Bonds shall be in the denomination of $5,000 of principal each or integral multiples of $5,000 in excess thereof and shall be in fully registered form.

The principal of and premium, if any, on the Bonds shall be payable upon surrender thereof at the principal corporate trust office of the Paying Agent. Interest due on the Bonds on each

Interest Payment Date shall be payable by check mailed, when due, to the persons (the "*Owners*") in whose names the Bonds are registered by the Registrar at the close of business on the last day of the calendar month next preceding the applicable Interest Payment Date or, if such day is not a business day, the previous business day (the "*Record Date*").

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

The Bonds shall have such additional terms and provisions as are set forth in the Purchase Contract and in the form of Bond attached hereto as *Exhibit A*, which is a part of this resolution.

3. Prior Redemption.

A. **Optional Redemption**. The Bonds shall be subject to call for redemption prior to their stated maturity dates, at the option of the District, on such dates and at such redemption prices as are set forth in the Purchase Contract.

B. **Mandatory Redemption**. The Bonds may be subject to mandatory redemption prior to their stated maturity dates, by lottery, at a redemption price of par plus interest accrued to the date of redemption, but without premium, on such dates and in such amounts as are set forth in the Purchase Contract.

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

C. **Notice**. (1) So long as the Bonds are held under the Book-Entry-Only System, notices of redemption will be sent to the Depository Trust Company ("*DTC*") in the manner required by DTC. If the Book-Entry-Only System is discontinued, notice of redemption of any Bond will be mailed to the registered owner of the Bonds being redeemed at the address shown on the bond register maintained by the Registrar for the Bonds not more than sixty (60) nor less than thirty (30) days prior to the date set for redemption. Notice of redemption may be sent to any securities depository by mail, facsimile transmission, wire transmission or any other means of transmission of the notice generally accepted by the respective securities depository. Neither the failure of DTC nor any registered owner of Bonds to receive a notice of redemption nor any defect therein will affect the validity of the proceedings for redemption of Bonds to which proper notice of redemption was given.

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

(3) If moneys for the payment of the redemption price and accrued interest are not held in separate accounts by the District, or a Paying Agent prior to sending the notice of redemption, such redemption shall be conditional on such moneys being so held on the date set for

redemption and if not so held by such date, the redemption shall be cancelled and be of no force and effect.

D. **Effect of Call for Redemption**. On the date designated for redemption by notice given as herein provided, the Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds on such date, and, if moneys for payment of the redemption price are held in separate accounts by the Paying Agent for the Bonds, interest on such Bonds or portions of such Bonds so called for redemption shall cease to accrue, such Bonds shall cease to be entitled to any benefit or security hereunder and the Owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and such Bonds shall be deemed paid and no longer outstanding.

E. **Redemption of Less Than All of a Bond**. The District may redeem an amount which is included in a Bond in the denomination in excess of $5,000, but divisible by, $5,000. In that event, the registered owner shall submit the Bond for partial redemption and the Paying Agent shall make such partial payment and the Registrar shall cause to be issued a new Bond in a principal amount which reflects the redemption so made to be authenticated and delivered to the registered owner thereof.

4. **Use of Proceeds**. After payment of the expenses of issuance, the net proceeds from the sale of the Bonds shall be set aside and deposited by the District Treasurer in a separate account and used to provide funds for any and all of the public infrastructure purposes provided for in the Enabling Act, the Feasibility Report and the Election.

5. **Form of Bonds**. The Bonds shall be in substantially the form of *Exhibit A*, attached hereto and incorporated by reference herein, with such necessary and appropriate omissions, insertions and variations as are permitted or required hereby or by the Purchase Contract and are approved by those officers executing the Bonds and execution thereof by such officers shall constitute conclusive evidence of such approval.

The Bonds may have notations, legends or endorsements required by law, securities exchange rule or usage. Each Bond shall be dated the date of its authentication and registration.

6. **Execution of Bonds and Other Documents**.

A. **Execution of Bonds**. The Bonds shall be executed for and on behalf of the District by the District Chairman and attested by the District Clerk by their manual or facsimile signatures. If the signatures are affixed or imprinted by facsimile, the District Chairman and District Clerk shall execute a certificate adopting as their signatures the facsimile signatures appearing on the Bonds. If an officer whose signature is on a Bond no longer holds that office at the time the Bond is authenticated and registered, the Bond shall nevertheless be valid. A Bond shall not be valid or binding until authenticated by the manual signature of an authorized officer of the Registrar. The signature shall be conclusive evidence that the Bond has been authenticated and issued under this resolution.

B. **Other Documents**. The District Board hereby approves the form and orders and directs the execution of the Bond Documents, each in substantially the form presented to the District Board.

The District Chairman, any member of the District Board, the District Manager or the District Treasurer are each hereby authorized and directed to determine and approve the actual dated date, maturity dates and amounts, interest rates, redemption provisions, and the purchase price to be paid by the

Underwriter, and to execute and deliver such agreements in substantially the form presented to this District Board with such necessary and appropriate omissions, insertions and variations as are permitted or required hereby and are approved by those officers executing such agreements on behalf of the District. Execution of the Bond Documents by such officers shall be conclusive evidence of such approval. The District Clerk is authorized and directed to attest such signatures. Where applicable, any of the foregoing officers may affix their signatures by manual, mechanical or photographic means.

7. **Mutilated, Lost or Destroyed Bonds**. In case any Bond becomes mutilated or destroyed or lost, the District shall cause to be executed and delivered a new Bond of like date and tenor in exchange and substitution for and upon the cancellation of such mutilated Bond or in lieu of and in substitution for such Bond destroyed or lost, upon the registered owner's paying the reasonable expenses and charges of the District in connection therewith and, in the case of the Bond destroyed or lost, filing with the District Clerk by the registered owner evidence satisfactory to the District that such Bond was destroyed or lost, and furnishing the District with a sufficient indemnity bond pursuant to A.R.S. § 47-8405, as amended.

8. **Acceptance of Proposal**. The Bonds are hereby sold to the Underwriter in accordance with the terms of the Purchase Contract. The actual terms of the Bonds and the Purchase Contract shall be reviewed and approved by the District Chairman (which approval shall be deemed conclusive by the execution and delivery of the Purchase Contract by the District Chairman, any member of the District Board or the District Treasurer).

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

9. **Registrar and Paying Agent**. Pursuant to the Registrar/Paying Agent Contract, the Registrar will maintain an office or agency where Bonds may be presented for registration of transfer and the Paying Agent will maintain an office or agency where Bonds may be presented for payment. The District may appoint one or more co-registrars or one or more additional paying agents. The Registrar and the Paying Agent may make reasonable rules and set reasonable requirements for their respective functions with respect to the owners of the Bonds.

Initially, Zions Bank, a division of ZB, National Association, Phoenix, Arizona, will act as the Registrar and the Paying Agent with respect to the Bonds. The District may change the Registrar or the Paying Agent without notice to or consent of owners of the Bonds and the District may act in any such capacity.

Each Paying Agent will be required to agree in writing that the Paying Agent will hold in trust for the benefit of the owners of the Bonds all moneys held by the Paying Agent for the payment of principal of and interest and any premium on the Bonds.

The Registrar may appoint an authenticating agent acceptable to the District to authenticate Bonds. An authenticating agent may authenticate Bonds whenever the Registrar may do so. Each reference herein to authentication by the Registrar includes authentication by an authenticating agent acting on behalf and in the name of the Registrar and subject to the Registrar's direction.

The Registrar shall keep a register of the Bonds (the "*Register*"), the registered owners of the Bonds and of transfer of the Bonds. When Bonds are presented to the Registrar or a co-registrar with a request to register transfer, the Registrar will register the transfer on the registration books if its requirements for transfer are met and will authenticate and deliver one or more Bonds registered in the

name of the transferee of the same principal amount, maturity and rate of interest as the surrendered Bonds. Bonds presented to the Registrar for transfer after the close of business on the Record Date and before the close of business on the next subsequent Interest Payment Date will be registered in the name of the transferee but the interest payment will be made to the registered owners shown on the books of the Registrar as of the close of business on the Record Date.

The Registrar may but need not register the transfer of a Bond which has been selected for redemption and need not register the transfer of any Bond for a period of fifteen (15) days before a selection of Bonds to be redeemed; if the transfer of any Bond which has been called or selected for call for redemption in whole or in part is registered, any notice of redemption which has been given to the transferor will be binding upon the transferee and a copy of the notice of redemption will be delivered to the transferee along with the Bond or Bonds.

The Registrar shall authenticate Bonds for original issue up to $5,600,000 in aggregate principal amount upon the written request of the District Treasurer. The aggregate principal amount of Bonds outstanding at any time may not exceed that amount except for replacement Bonds as to which the requirements of the Registrar and the District are met.

So long as the Bonds are administered under the Book-Entry-Only System described herein, interest payments and principal payments that are part of periodic principal and interest payments shall be paid to Cede & Co. or its registered assigns in same-day funds no later than the time of payment established by DTC on each interest or principal payment date (or in accordance with then existing arrangements between the District and DTC). The District has previously entered into an agreement (the "*Letter of Representations*") with DTC in connection with the issuance of its bonds and, while the Letter of Representations is in effect, the procedures established therein shall apply to the Bonds.

If the Book-Entry-Only System is discontinued, the Registrar's registration books will show the registered owners of the Bonds (collectively, the owner or owners of the Bonds as shown on the Registrar's registration books shall be referred to as "*Owner*" or "*Owners*"). While the Bonds are subject to the Book-Entry-Only System, the Bonds shall be registered in the name of Cede & Co., or its registered assigns. The Bonds will be administered by the Registrar in a manner which assures against double issuance and provides a system of transfer of ownership on the books of the Registrar in the manner set forth in the Bonds.

If the Book-Entry-Only System is discontinued, interest on the Bonds will be payable on each Interest Payment Date by check mailed to the Owner thereof at the Owner's address all as shown on the registration books maintained by the Registrar as of the close of business of the Registrar on the Record Date (as hereinafter defined).

If the Book-Entry-Only System is discontinued, principal of the Bonds will be payable, when due, only upon presentation and surrender of the Bond at the designated corporate trust office of the Paying Agent. Upon written request of a registered owner of at least $1,000,000 in principal amount of Bonds not less than twenty (20) days prior to an Interest Payment Date, all payments of interest and, if adequate provision for surrender is made, principal shall be paid by wire transfer in immediately available funds to an account within the United States of America designated by such Owner.

Notwithstanding any other provision of this resolution, payment of principal of and interest on any Bond that is held by a securities depository or Bonds subject to a Book-Entry-Only System may be paid by the Paying Agent by wire transfer in "same day funds".

10. **Other Actions Necessary**. The District Chairman (or any other member of the District Board in the event the District Chairman is absent or unable to timely take the desired action), the District Manager, the District Treasurer, the District Clerk and the officers of the District shall take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated by the Bond Documents and the Final Official Statement, including without limitation, the execution and delivery of the closing and other documents required to be delivered in connection with the sale and delivery of the Bonds.

11. **Distribution of Disclosure Documents**. The Preliminary Official Statement is hereby deemed final for all purposes of SEC Rule 15c(2)(12), its distribution by the Underwriter is hereby authorized and approved, and any member of the District Board, the District Treasurer or the District Manager is hereby authorized and directed to complete, execute and deliver the Final Official Statement in substantially the form of the Preliminary Official Statement with, in each case, such completions and changes as may be acceptable to such District Manager, District Treasurer or member of the District Board, and the distribution and use of the Final Official Statement by the Underwriter is hereby approved.

12. **Tax Levy**.

(a) For each year while any Bond is outstanding, the District Board shall annually levy and thereafter forward to Maricopa County for collection an ad valorem tax, at the same time and in the same manner as other taxes are levied and collected on all taxable property in the District, sufficient, together with any moneys from any sources authorized in the Enabling Act and provided for under the Bond Documents, to pay Debt Service when due.

(b) Moneys derived from the levy of the tax provided for in this Section when collected and allocated to the Bonds constitute funds to pay Debt Service and shall be deposited in the Bond fund for the Bonds and shall be kept separately from other funds of the District.

(c) The District Board shall make annual statements and estimates of the amount to be raised to pay Debt Service on the Bonds and such other costs of the District as are permitted under "public infrastructure purposes" as provided in the Enabling Act. The District Board shall file the annual statements and estimates with the District Clerk and shall publish a notice of the filing of the estimate. The District Board, on or before the date set by law for certifying the annual budget of the District, shall fix, levy and assess the amounts to be raised by ad valorem taxes of the District and shall cause certified copies of the order to be delivered to the Board of Supervisors of Maricopa County, Arizona, and to the Department of Revenue of the State. All statutes relating to the levy and collection of State and county taxes, including the collection of delinquent taxes and sale of property for nonpayment of taxes, apply to the taxes provided for by this Section.

13. **No Obligation of City**. Neither the full faith and credit nor the general taxing power of the City of Buckeye, Arizona, or the State of Arizona or any political subdivision thereof (other than the District) is pledged to the payment of the Bonds. The Bonds will be obligations of the District only. None of the City of Buckeye, Arizona, the State of Arizona, or any political subdivision thereof (other than the District) will have any obligation with respect to Debt Service for the Bonds.

14. **Ratification of Actions**. All actions of the officers and agents of the District which conform to the purposes and intent hereof and which further the issuance and sale of the Bonds as contemplated hereby whether heretofore or hereafter taken shall be and are hereby ratified, confirmed and approved. Any change made in the Purchase Contract, which does not conform to the prior order or resolution of the District Board, is hereby ratified. The proper officers and agents of the District are hereby authorized and directed to do all such acts and things and to execute and deliver all such

documents on behalf of the District as may be necessary to carry out the terms and intent of this resolution.

15. **Tax Covenants**. In consideration of the purchase and acceptance of the Bonds by the owners thereof and, as authorized by A.R.S. Title 35, Chapter 3, Article 7, in consideration of retaining the exclusion of interest income on the Bonds from gross income for federal income tax purposes, the District covenants with the owners from time to time of the Bonds to neither take nor fail to take any action, which action or failure to act is within its power and authority and would result in interest on the Bonds becoming subject to federal income taxes.

The District agrees that it will comply with such requirements as in the opinion of Gust Rosenfeld P.L.C. ("*Bond Counsel*") are necessary to prevent interest on the Bonds becoming subject to inclusion in gross income for federal income tax purposes. Such requirements may include but are not limited to making further specific covenants; making truthful certifications and representations and giving necessary assurances; complying with all representations, covenants and assurances contained in certificates or agreements to be prepared by Bond Counsel; to pay to the United States of America any required amounts representing rebates of arbitrage profits relating to the Bonds; filing forms, statements and supporting documents as may be required under the federal tax laws; limiting the term of and yield on investments made with moneys relating to the Bonds; and limiting the use of the proceeds of the Bonds and property financed thereby.

16. **Qualified Tax-Exempt Obligations.** In the event the District Chairman, any member of the District Board or the District Manager determines that the District reasonably expects to issue less than $10,000,000 in principal amount of tax-exempt obligations in this current calendar year, the District hereby designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "*Code*"). The District Chairman, any member of the District Board or the District Manager shall certify in the closing certificates that 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 shall be issued for or by the District in the current calendar year shall not exceed $10,000,000.

17. **Repeal of Resolution**. After any of the Bonds are authenticated and delivered by the Registrar to the Underwriter upon receipt of payment therefor, this resolution shall be and remain irrepealable until the Bonds and the interest thereon shall have been fully paid, canceled and discharged.

18. **Severability**. 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 hereof.

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

20. **Bond Insurance**. The District Chairman, any member of the District Board, the District Manager or the District Treasurer are hereby authorized and directed to purchase municipal bond insurance, surety bonds or other credit enhancement as may be deemed appropriate and beneficial to the

District by the District Chairman, any member of the District Board, the District Manager or the District Treasurer, to pay or cause to be paid all premiums attendant thereto and to enter into any obligations or agreements on behalf of the District to repay amounts paid thereon by the providers thereof.

21. **Effective Date**. This resolution shall be effective immediately.

PASSED by the District Board of Festival Ranch Community Facilities District (City of Buckeye, Arizona) on May 17, 2016.

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

Jackie A. Meck, District Chairman

ATTEST:

District Clerk

APPROVED AS TO FORM:

Bond Counsel

CERTIFICATE

I hereby certify that the above and foregoing Resolution was duly passed by the District Board of Directors of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) at a regular meeting held on May 17, 2016, and that a quorum was present thereat and that the vote thereon was 6 ayes and 1 nays; Ø did not vote or were absent.

District Clerk

ZDS:dlh 2595372.1 4/19/2016

EXHIBIT A

No. R-_____ $_____

UNLESS THIS BOND 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 BOND 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.

UNITED STATES OF AMERICA
STATE OF ARIZONA

FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BOND, SERIES 2016

INTEREST RATE	MATURITY DATE	ORIGINAL DATED DATE	CUSIP NO.:
_____%	July 15, ___	_____, 2016	315598 ___

REGISTERED OWNER: CEDE & CO

PRINCIPAL AMOUNT:

FESTIVAL RANCH COMMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA) (the "*District*"), for value received, hereby promises to pay to the registered owner identified above, or registered assigns as provided herein, on the maturity date set forth above, the principal amount set forth above, and to pay interest on the unpaid principal amount at the interest rate shown above.

This bond is subject to call for redemption prior to maturity in accordance with the terms hereinafter set forth.

Interest is payable on January 15 and July 15 of each year (each an "*Interest Payment Date*"), commencing _____, 20__, and will accrue from the most recent date to which interest has been paid, or, if no interest has been paid, from the original dated date set forth above. Interest will be computed on the basis of a year comprised of 360 days consisting of twelve (12) months having thirty (30) days each.

Principal, interest and any premium are payable in lawful money of the United States of America. Interest will be paid by check payable to the order of and mailed to the registered owner when due at the address shown on the registration books maintained by the registrar at the close of business on the last day or, if not a business day, then the prior business day, of the calendar month next preceding the applicable Interest Payment Date (the "*Record Date*"). The principal and any premium will be paid when due to the registered owner upon surrender of this bond for payment at the designated office of the paying agent.

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

This bond is one of a series of bonds in the aggregate principal amount of $_____,000 of like tenor except as to amount and number issued by the District to provide funds to make those certain acquisitions and public improvements approved by a majority vote of qualified electors voting at an election duly called and held in and for the District, pursuant to a resolution of the District Board duly adopted prior to the issuance hereof and pursuant to the Constitution and laws of the State of Arizona relative to the issuance and sale of general obligation bonds, and all amendments thereto, and all other laws of the State of Arizona.

For the punctual payment of this bond and the interest hereon and for the levy and collection of ad valorem taxes on all taxable property within the District sufficient for that purpose, the full faith and credit of the District are hereby irrevocably pledged.

Neither the full faith and credit nor the general taxing power of the City of Buckeye, Arizona, or the State of Arizona, or any political subdivision thereof (other than the District) is pledged to the payment of the bonds.

[DESCRIBE OPTIONAL AND/OR MANDATORY REDEMPTION, IF ANY]

So long as the book-entry-only system is in effect, the registrar shall notify DTC of redemption in the manner required by DTC. If the book-entry-only system is discontinued, notice of redemption of any bond redeemed prior to its stated maturity date shall be mailed by first class mail to each registered owner of the bond or bonds not more than sixty (60) days nor less than thirty (30) days prior to the date set for redemption. Notice of redemption may be sent to any securities depository by mail, facsimile transmission, wire transmission or any other means of transmission of the notice generally accepted by the respective securities depository. The registrar also agrees to send notice of redemption to the Municipal Securities Rulemaking Board (the "MSRB"), currently through the MSRB's Electronic Municipal Market Access system in the manner required by the MSRB. Failure to properly give notice of redemption shall not affect the redemption of any bond for which notice was properly given. When so called for redemption, the bonds will cease to bear interest on the date fixed for redemption if on that date sufficient funds for such redemption are on deposit at the place of payment.

The registrar and the paying agent on the original issue date is Zions Bank, a division of ZB, National Association, Phoenix, Arizona. The registrar or the paying agent may be changed by the District without notice.

So long as the book-entry-only system is in effect, this bond is non-transferable. If the book-entry-only system is discontinued, this bond is transferable by the registered owner in person or by attorney duly authorized in writing at the designated office of the registrar upon surrender and cancellation of this bond, but only in the manner and subject to the limitation on transfer and upon payment of the charges provided in the authorizing resolution. Upon such transfer a new bond or bonds of the same aggregate principal amount, maturity and interest rate will be issued to the transferee in exchange. The registrar may require an owner, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the authorizing resolution. Should this bond be submitted to the registrar for transfer during the period commencing after the close of business on the Record Date and continuing to and including the next subsequent Interest Payment Date, ownership

will be transferred in the normal manner but the interest payment will be made payable to and mailed to the registered owner as shown on the registrar's books at the close of business on the Record Date.

The registrar may but need not register the transfer of a bond which has been selected for redemption and need not register the transfer of any bond for a period of fifteen (15) days before a selection of bonds to be redeemed; if the transfer of any bond which has been called or selected for call for redemption in whole or in part is registered, any notice of redemption which has been given to the transferor will be binding upon the transferee and a copy of the notice of redemption will be delivered to the transferee along with the bond or bonds.

Bonds of this series are issuable only in fully registered form in the denomination of $5,000 of principal each or integral multiples of $5,000.

The District, the registrar and the paying agent may treat the registered owner of this bond as the absolute owner for the purpose of receiving principal, interest and any premium and for all other purposes and none of them shall be affected by any notice to the contrary.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and laws of the State of Arizona to exist, to occur and to be performed precedent to and in the issuance of this bond exist, have occurred and have been performed and that the series of bonds of which this is one, together with all other indebtedness of the District, is within every debt and other limit prescribed by the Constitution and laws of the State of Arizona, and that due provision has been made for the levy and collection of a direct, annual, ad valorem tax upon all of the taxable property in the District for the payment of this bond and of the interest hereon as each becomes due.

The District has caused this bond to be executed by the District Chairman of its District Board and attested by its District Clerk, which signatures may be manual or by facsimile signatures. This bond is not valid or binding upon the District without the manually affixed signature of an authorized representative of the registrar.

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

_____(facsimile)_____
District Chairman

ATTEST:

_____(facsimile)_____
District Clerk

ZDS:dlh 2595372.1 4/19/2016

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Festival Ranch Commmunity Facilities District (City of Buckeye, Arizona) General Obligation Bonds, Series 2016, described in the resolution mentioned herein.

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

By_________________________________
Authorized Representative

DATE: ____________________

(INSERT INSURANCE STATEMENT HERE, IF APPLICABLE)

FORM OF ASSIGNMENT

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 - ____________ (Custodian) 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 subject to the transfer restrictions described in the within Bond, 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 book kept for registration thereof, with full power of substitution in the premises.

DATED: ____________________

____

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.

Signature guarantee should be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Registrar and Paying Agent.

ALL FEES AND TRANSFER COSTS SHALL BE PAID BY THE TRANSFEROR

FEDERAL TAXPAYER I.D. NO. 35-2264191

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

This Bond Registrar, Transfer Agent and Paying Agent Contract dated as of July 1, 2016 (this "*Contract*"), is made and entered into between the **FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA)** (hereinafter called the "*District*"), and Zions Bank, a Division of ZB, National Association, Phoenix, Arizona (hereinafter called the "*Bank*"), and witnesseth as follows:

Pursuant to Resolution No. 04-16 (Festival Ranch) (the "*Bond Resolution*"), the District will issue its General Obligation Bonds, Series 2016 (the "*Bonds*") in the aggregate principal amount of $5,410,000. The Board of Directors of the District has determined that the services of a bond registrar, transfer agent and paying agent are necessary and in the best interests of the District. Initially, the Bonds will be issued in book-entry-only form through The Depository Trust Company ("*DTC*") and, so long as the book-entry-only system (the "*Book-Entry-Only System*") is in effect, the Bonds will be registered in the name of Cede & Co., the nominee name of DTC.

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

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

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

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

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

C. Paying agent services which shall include, but not be limited to, (1) providing a billing to the District at least thirty (30) days prior to a Bond interest payment date setting forth the amount of principal and interest due on such date; (2) preparing, executing, wiring or mailing all interest payments to each registered owner of the Bonds one (1) business day prior to the scheduled

payment date or as soon as money for payment of such interest has been transferred to the paying agent but in no event later than 2:30 p.m., eastern time, on the date such payments are due; (3) verifying all matured Bonds upon their surrender; (4) paying all principal due upon the Bonds as they are properly surrendered therefor to the Bank; (5) preparing a semiannual reconciliation showing all principal and interest paid during the period and providing copies thereof to the District; (6) inventorying all cancelled checks, or microfilm proof of such checks for six (6) years after payment; and (7) making proof of such payments available to the District or any owner or former owner.

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

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

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

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

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

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

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

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

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

8. **Fee Schedule; Initial Fee**. For its services under this Contract, the District will pay the Bank in accordance with the fee schedule set forth in the attached *Exhibit A*, which is incorporated herein by reference. The fee for the Bank's initial services hereunder and services to be rendered until the end of the District's current fiscal year is $300.00 and shall be due at the initial delivery of the Bonds and shall be payable from amounts contributed by Pulte Home Corporation. Subsequent payments shall be made in accordance with this Contract.

9. **Fees for Services in Subsequent Fiscal Years**. The Bank will bill the District prior to June 1, 2017, and prior to each June 1 thereafter.

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

11. **Hold Harmless**. The Bank shall indemnify and hold harmless the District, its District Board, the Treasurer of the District and all boards, commissions, officials, officers and employees of the District, individually and collectively, from the Bank's failure to perform to its standard of care as herein stated.

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

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

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

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

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

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

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

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

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

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

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

22. **Mutilated, Lost or Destroyed Bonds**. With respect to Bonds which are mutilated, lost or destroyed, the Bank shall cause to be executed and delivered a new Bond of like date and tenor in exchange and substitution for and upon the cancellation of such mutilated Bond or in lieu of and in substitution for such Bond lost or destroyed, upon the registered owner's paying the reasonable expenses and charges in connection therewith and, in the case of any Bond destroyed or lost, filing by the registered owner with the Bank and the District of evidence satisfactory to the Bank and the District that such Bond was destroyed or lost, and furnishing the Bank with a sufficient indemnity bond pursuant to A.R.S. § 47-8405.

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

24. **Covenants**. The District has agreed in the Bond Resolution to take all necessary actions required to preserve the tax-exempt status of the Bonds. Such actions may require the calculation of amounts of arbitrage rebate which may be due and owing to the United States. The calculation of such rebate amount may be performed by an individual or firm qualified to perform such calculations and who or which may be selected and paid by the District. If the District does not retain a consultant to do the required calculations concerning arbitrage rebate and if a rebate

calculation is required to permit interest on the District's Bonds to be and remain exempt from gross income for federal income tax purposes, the District may include, in addition to all other bills payable under this Contract, the costs and expenses and fees of an arbitrage consultant. The District may contract with a consultant to perform such arbitrage calculations as are necessary to meet the requirements of the Code. All fees, costs and expenses so paid may be deducted from moneys of the District or from tax levies made to pay the interest on the Bonds. Such costs, fees and expenses shall be considered as interest payable on the Bonds. The Bank shall have no responsibilities in connection with this Section.

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

26. **Waiver of Trial by Jury**. Each party hereto hereby agrees not to elect a trial by jury of any issue triable of right by jury, and waives any right to trial by jury fully to the extent that any such right shall now or hereafter exist with regard to this Contract, or any claim, counterclaim or other action arising in connection herewith. This waiver of right to trial by jury is given knowingly and voluntarily by each party, and is intended to encompass individually each instance and each issue as to which the right to a trial by jury would otherwise accrue.

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

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

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

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

30. **Counterparts**. This Contract may be executed in several counterparts, each of which shall be an original, but all of which together shall constitute but one instrument.

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

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

By_____
Jackie A. Meck, District Chairman

ATTEST:

_____
District Clerk

ZIONS BANK, A DIVISION OF ZB, NATIONAL ASSOCIATION, as Bank

By_____
Authorized Representative

Attach as Exhibit A the fee schedule of the Bank.

ZDS:dlh 2595710.1 6/28/2016

EXHIBIT A

ZIONS BANK®
Corporate Trust

Zions First National Bank

6/20/16

Corporate Trust Department
an affiliate of **National Bank of Arizona**

SERVICES AND COMPENSATION PROPOSAL

Registrar, Transfer Agent and Paying Agent services for:

Festival Ranch Community Facilities District (City of Buckeye, Arizona)
General Obligation Bonds, Series 2016 (Bank Qualified)

Acceptance Fee **$150.00**

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

Annual Administration Fee **$300.00**

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

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

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

Legal Counsel ***Waived, if no Counsel opinion required***

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

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

Extraordinary Services **By Appraisal**

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

$5,410,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2016

PURCHASE CONTRACT

June 23, 2016

District Board
Festival Ranch Community Facilities District
c/o City of Buckeye, Arizona
530 East Monroe Avenue
Buckeye, Arizona 85326
Attention: District Manager

Stifel, Nicolaus & Company, Incorporated (hereinafter referred to as the "Underwriter"), offers to enter into the following purchase contract (hereinafter referred to as this "Purchase Contract") with Festival Ranch Community Facilities District (hereinafter referred to as the "District"), which upon execution by the District, shall be binding upon the District and the Underwriter. This offer is made upon the terms and conditions and the basis of the representations, warranties and agreements set forth and in any documents delivered pursuant hereto and is subject to acceptance by the District by execution and delivery of this Purchase Contract to the Underwriter on or before 5:00 p.m., Arizona time on the date hereof and, until so accepted, shall be subject to withdrawal by the Underwriter upon notice delivered to the District at any time prior to the acceptance hereof by the District.

In addition to acceptance of this Purchase Contract by the District as provided hereinabove, the obligations of the Underwriter and the District under this Purchase Contract shall be conditioned on the execution and delivery of the Indemnity Letter, dated the date hereof (hereinafter referred to as the "Indemnity Letter"), by Pulte Home Corporation (hereinafter referred to as "Pulte") attached as the Attachment hereto.

The purchase and sale of the Bonds pursuant to this Purchase Contract is an "arm's-length," commercial transaction between the District and the Underwriter. In connection therewith and with the discussions, undertakings and proceedings leading up to the consummation of such transaction, the Underwriter is and has been acting for and on behalf of itself, solely as a principal for its own account and is not acting as the agent or fiduciary of the District or as a municipal advisor (with the meaning of Section 15B of the Securities Exchange Act of 1934, as amended). The Underwriter has not assumed an advisory or fiduciary responsibility in favor of the District with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the District on other matters). The Underwriter has no obligation to the District with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Contract and Rule G-17 of the Municipal Securities Rulemaking Board (hereinafter referred to as the "MSRB"). The Underwriter has financial and other interests that differ from those of the District. The Underwriter has provided to the District prior disclosures under MSRB Rule G-17, which have been received by the District. The District has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

1. Purchase and Sale.

(a) The Underwriter shall purchase from the District, and the District shall sell to the Underwriter, all (but not less than all) of the $5,410,000 principal amount of "Festival Ranch Community Facilities District (City of Buckeye, Arizona) General Obligation Bonds, Series 2016" (hereinafter referred to as the "Bonds").

(b) The Bonds shall be dated the date of the Closing (as such term is hereinafter defined), shall mature in the principal amounts on the dates or be redeemable, and shall bear interest at the rates, resulting in yields, with respect to each of such maturities, in each case as provided on the Schedule attached hereto. Interest on the Bonds shall be payable on January 15 and July 15 of each year, commencing January 15, 2017, and the Bonds shall have the other terms, all as provided in the resolution adopted by the District Board of the District on May 17, 2016 (hereinafter referred to as the "Bond Resolution").

(c) The Bonds shall be purchased by the Underwriter for an aggregate purchase price of $5,846,483.35 (comprised of the par amount thereof, plus original issue premium in the amount of $534,963.35, minus Underwriter's discount (paid from amounts contributed by Pulte) in the amount of $98,480.00). For convenience, the Underwriter shall pay by the Closing, on behalf of the District, $53,282.26 from the proceeds of the Bonds to the Insurer (as hereinafter defined) as payment of the premium for the Policy (as hereinafter defined). The payment and delivery and the other actions

contemplated hereby to take place at the time of such payment and delivery of the Bonds is herein sometimes called the "Closing" and is to be on July 13, 2016, or on such other date, as well as at a time and place, as may be mutually agreeable to the Underwriter and the District. The Underwriter shall also be reimbursed for its expenses as provided in Section 7. The District hereby expressly acknowledges that such purchase price, if the Bonds are sold to the public at the prices or yields set forth on the Schedule attached hereto and on the inside front cover page of the Official Statement, dated the date hereof (together with all appendices thereto, and with such supplements and amendments thereto which are consented to in writing by the Underwriter, hereinafter referred to as the "Official Statement"), shall result in remuneration to the Underwriter of $98,480.00.

(d) The District shall not issue any bonds, notes or other obligations for borrowed money payable from the same source of payment as the Bonds pursuant to the Bond Resolution, and subsequent to the respective dates as of which information is given in the Official Statement up to and including the Closing, the District will not incur any material liabilities, except those liabilities arising in the normal course of business or incurred with the consent of the Underwriter.

2. Matters Relating to Official Statement.

(a) The District approves, and consents to and authorizes the distribution and use by the Underwriter prior to the date hereof of, the Preliminary Official Statement, dated June 10, 2016 (together with all appendices thereto, hereinafter referred to as the "Preliminary Official Statement"), relating to the Bonds in connection with the public offering of the Bonds. The District has caused the Preliminary Official Statement to be prepared and an authorized representative of the District, acting for and on behalf of the District, deemed the Preliminary Official Statement to be "final" as of its date for all purposes of Section 240.15c2-12(b)(1), General Rules and Regulations, Securities Exchange Act of 1934, as amended (hereinafter referred to as the "Rule"), by execution of the Certificate Deeming the Preliminary Official Statement Final, dated June 10, 2016 (hereinafter referred to as the "Deemed Final Certificate"), subject to completion with certain information to be established at the time of sale of the Bonds as permitted by the Rule.

(b) (i) WHILE THE UNDERWRITER HAS PARTICIPATED AND WILL PARTICIPATE WITH THE DISTRICT IN THE PREPARATION AND ASSEMBLAGE OF THE PRELIMINARY OFFICIAL STATEMENT AND THE OFFICIAL STATEMENT, RESPECTIVELY, THE DISTRICT IS PRIMARILY RESPONSIBLE FOR THE CONTENT OF THE PRELIMINARY OFFICIAL STATEMENT AND THE OFFICIAL STATEMENT and (ii) as of the date thereof and at the time of the acceptance by the District hereof, the Preliminary Official Statement was true, correct and complete in all material respects and did not and does not, respectively, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary

to make the statements therein, in light of the circumstances under which such statements were made, not misleading.

(c) The Underwriter shall provide to the District such information relating to the Bonds which is not within the scope of knowledge of the District (including, but not limited to, the selling compensation of the Underwriter, offering price(s), interest rate(s), delivery date and other terms of the Bonds dependent upon such matters). The Official Statement shall be substantially in the form of the Preliminary Official Statement with only such changes therein as shall be necessary to conform to the terms hereof and with such other changes to the date thereof as have been accepted by the Underwriter. The execution and delivery of the Official Statement shall evidence the determination by the District that the Official Statement is "final" for all purposes of the Rule.

(d) The Bonds shall be as described in the Official Statement, and the District authorizes the use of the Official Statement in connection with the public offering and sale of the Bonds.

(e) As of the date thereof and at all times subsequent thereto up to and including the Closing, the Official Statement was and shall be, respectively, true, correct and complete in all material respects and did not and shall not, respectively, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which such statements were made, not misleading.

(f) If, at any time between the date of this Purchase Contract and until ninety (90) days after the end of the underwriting period (as such term is hereinafter defined), unless the Official Statement is provided to the MSRB and then until twenty-five (25) days thereafter, any event shall occur which might or would cause the Official Statement to contain any untrue statement of a material fact or to omit to state any material fact necessary to make the statements therein, in light of the circumstances under which such statements were made, not misleading, the District shall notify the Underwriter and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the District shall supplement or amend the Official Statement in a form and manner approved by the Underwriter. (Unless otherwise notified in writing by the Underwriter by the Closing, the District can assume that the "end of the underwriting period" shall be the date of the Closing. In the event such notice is so given by the Underwriter, the Underwriter shall notify the District in writing following the occurrence of the end of the underwriting period.) If the Official Statement is so supplemented or amended, such approval by the Underwriter of a supplement or amendment to the Official Statement shall not preclude the Underwriter from thereafter terminating this Purchase Contract, and, if the Official Statement is so supplemented or amended, the Underwriter may terminate this

Purchase Contract by written notification to the District at any time prior to the date of the Closing if, in the reasonable judgment of the Underwriter, such supplement or amendment has or will have a material adverse effect on the marketability of the Bonds.

(g) Otherwise, the District shall advise the Underwriter promptly of any proposal to make any material supplement or amendment to the Official Statement and shall effect any such supplement or amendment only as provided in the preceding subsection.

(h) The District shall advise the Underwriter promptly of the institution of any proceeding known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(i) The District shall furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request to qualify the Bonds for offer and sale under the "blue sky" or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may reasonably designate; provided, however, that the District shall not incur any additional expense with respect to such actions and further that the District shall not be required to subject itself or any of its agents or employees to service of process outside the State through or in connection with any of the foregoing.

(j) The District shall provide to the Underwriter within seven (7) business days of the date hereof sufficient copies of the Official Statement to enable the Underwriter to comply with the requirements of the Rule and the rules of the MSRB.

(k) The District authorizes the Underwriter to file, to the extent required by applicable Securities and Exchange Commission (hereinafter referred to as the "SEC") or MSRB rule, and the Underwriter agrees to file or cause to be filed, the Official Statement with (i) the MSRB or its designee (including submission to the MSRB's Electronic Municipal Market Access system (hereinafter referred to as "EMMA")) or (ii) other repositories approved from time to time by the SEC (either in addition to or in lieu of the filings referred to above). If an amended Official Statement is prepared in accordance with Section 3(g) during the "primary offering disclosure period" (as defined in MSRB Rule G-32) and if required by applicable SEC or MSRB rule, the Underwriter also shall make the required submission of the amended Official Statement to EMMA.

3. Public Offering.

(a) The Underwriter intends to make an initial public offering of the Bonds at the yields as shown on the Schedule attached hereto and the inside front cover page of the Official Statement.

(b) Subsequent to the initial distribution, the Underwriter reserves the right to change the yields as it deems necessary in connection with the marketing of the Bonds and to offer and sell the Bonds to certain dealers (including the Underwriter and other dealers depositing the Bonds into investment trusts) and others, including at price(s) lower than the initial offering price(s) or at yield(s) higher than the initial yield(s) shown on the Schedule attached hereto and the inside front cover page of the Official Statement.

(c) The Underwriter also reserves the right (i) to over-allot or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market and (ii) to discontinue such stabilizing, if commenced, at any time.

(d) Such sale may include an offering to a representative number of institutional investors or registered investment companies, regardless of the number of such investors to which the Bonds are sold.

(e) The Underwriter will furnish to the District a certificate in a form acceptable to Bond Counsel (as such term is hereinafter defined) and in substantially the form attached hereto as Exhibit A, stating that a *bona fide* public offering of the Bonds has been made and setting forth the offering price(s) or yield(s) at which a substantial amount of the Bonds of each maturity were reasonably expected to be sold to the public (excluding bond houses, brokers and similar persons or organizations acting in the capacity of underwriters or wholesalers) as of the date hereof.

4. Representations and Warranties.

(a) The undersigned on behalf of the District, but not individually, represents and warrants to the Underwriter as follows:

(i) Existence and Powers. The District is a community facilities district duly organized and validly existing pursuant to the laws of the State of Arizona (hereinafter referred to as the "State") and has full legal right, power and authority to (1) adopt the Bond Resolution; (2) authorize, execute, deliver and issue, as applicable, this Purchase Contract, the Bonds, the Bond Registrar, Transfer Agent and Paying Agent Contract, dated as of July 1, 2016 (the "Bond Registrar Contract") between the District and Zions Bank, a division of ZB, National Association, as the bond registrar (the "Bond Registrar"), a written undertaking by the District to provide certain continuing disclosure for the benefit of certain beneficial owners of the Bonds as required under paragraph (b)(5) of the Rule in form and substance satisfactory to the Underwriter which shall be substantially in the form set forth in the Official Statement with such changes as may be agreed in writing by the Underwriter, to be dated the date of initial delivery of the Bonds (hereinafter referred to as the "Undertaking"), and the Dissemination Agency Agreement, to be dated as

of July 1, 2016 (hereinafter referred to as the "Dissemination Agency Agreement" and collectively with this Purchase Contract, the Bond Registrar Contract and the Undertaking as the "District Documents"), by and between the District and an agent to be named by the District (hereinafter referred to as the "Dissemination Agent"); (3) approve, execute and authorize the use and distribution of the Official Statement (including, as applicable, the Preliminary Official Statement) and (4) carry out and consummate all other transactions contemplated by the Preliminary Official Statement, the Bond Resolution, the District Documents and the Bonds. The District has complied with all applicable provisions of law and has taken all actions required to be taken by it in connection with the transactions contemplated by the aforesaid documents.

(ii) Due Authorization. The District has duly authorized (1) the authorization, execution, delivery and issuance, as applicable, of and the due performance of the obligations of the District under the District Documents and the Bonds and (2) the taking of any and all actions as may be required on the part of the District to carry out, give effect to and consummate the transactions contemplated by the Official Statement, the Bond Resolution, the District Documents and the Bonds. The District shall take any and all actions necessary or appropriate to consummate the transactions described in the Official Statement, the Bond Resolution, the District Documents and the Bonds.

(iii) Due Execution and Delivery. The District Documents have been or shall be, as applicable, duly executed and delivered by the District. The District Documents (when executed and delivered by the other party hereto) shall be legal, valid and binding obligations of the District enforceable in accordance with their terms, subject as to enforcement of remedies to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws in effect from time to time affecting the rights of creditors generally and to the availability of equitable relief.

(iv) Bond Resolution Valid. The Bond Resolution (1) authorizes the authorization, execution, delivery and issuance, as applicable, of the District Documents and the Bonds as well as the approval, execution and authorization of the use and distribution of the Official Statement (including, as applicable, the Preliminary Official Statement) and the selling of the Bonds to the Underwriter, (2) has been duly and validly adopted by the District Board of the District and (3) is in full force and effect.

(v) Officers and Officials. The officers and officials of the District executing the Official Statement, the Bond Resolution, the District Documents and the Bonds and the officers and officials of the District listed on the certificate of the District to be delivered at the Closing have been or will have been duly appointed and are or will be qualified to serve as such officers and officials of the District.

(vi) The Bonds. The form, terms, authorization, execution, delivery and issuance of the Bonds have been duly and validly authorized and, when authenticated by the Bond Registrar, and delivered and paid for by the Underwriter at the Closing in accordance with the terms of this Purchase Contract, shall (i) have been duly authorized, executed, delivered and issued and (ii) constitute legal, valid and binding obligations of the District enforceable in accordance with their terms and entitled to the benefits and security of the Bond Resolution, subject to Creditors' Rights Laws.

(vii) Governmental Approvals. No approval, permit, consent, authorization or order of any court or any governmental or public agency, authority or person not already obtained (other than any approvals that may be required under the "blue sky" laws of any jurisdiction) is required with respect to the District in connection with the issuance and sale of the Bonds or the execution and delivery by the District of, or the performance by the District of its obligations under, the District Documents and the Bonds, and the consummation of the transactions contemplated by the Official Statement.

(viii) No Conflicts. The adoption by the District of the Bond Resolution and the authorization, execution, delivery and issuance, as applicable, by the District of the District Documents, the Bonds and all other documents executed and delivered by the District in connection with the issuance of the Bonds as well as the approval, execution and authorization of the use and distribution of the Official Statement (including, as applicable, the Preliminary Official Statement) and the compliance by the District with the provisions thereof do not and will not materially conflict with or result in a material breach or violation of any of the terms or provisions of, or constitute a default under any resolution, ordinance, indenture, deed of trust, mortgage commitment, agreement or other instrument to which the District is a party or by which the District is bound, or any constitutional provision, existing law, administrative regulation, court order or consent decree to which the District or property of the District is subject.

(ix) No Defaults. As of the time of acceptance hereof and as of the Closing, except as otherwise to be disclosed in the Official Statement, the District is not and will not be in breach of or in default under any applicable law or administrative regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the District is a party or is otherwise subject, the consequence of any of the foregoing of which or the correction of any of the foregoing of which materially and adversely affects the operations of the District as of such dates, and, as of such times, except as to be disclosed in the Official Statement, the authorization, execution, delivery and issuance, as applicable, of the District Documents and the Bonds and compliance with the provisions thereof do not and shall not conflict with or constitute a material breach of or material default under any applicable law or administrative regulation of the State or the United

States or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the District is a party or is otherwise subject.

(x) Litigation. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or overtly threatened against or affecting the District, and there is no basis therefor, (1) which in any way questions the powers of the District referred hereinabove, or the validity of the proceedings taken by the District in connection with the issuance and sale of the Bonds or (2) wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Official Statement, the Bond Resolution, the District Documents or the Bonds or would in any way adversely affect the validity or enforceability of the Bond Resolution, the District Documents or the Bonds (or of any other instrument required or contemplated for use in consummating the transactions contemplated thereby or hereby or by the Official Statement), or (3) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement. Further, there are no lawsuits pending or threatened against the District which question the right of the District to levy, receive and pledge special assessments or taxes, nor lawsuits pending or overtly threatened against the District which, if decided adversely to the District, would, individually or in the aggregate, have a material adverse effect on the financial condition of the District, or impair the ability of the District to comply with all the requirements set forth in the Preliminary Official Statement, the Bond Resolution, the District Documents or the Bonds.

(xi) Certificates and Representations. Any certificate signed by an authorized officer of the District and delivered to the Underwriter shall be deemed a representation and warranty by the District to the Underwriter as to the statements made therein. The representations and warranties of the District set forth herein and in the District Documents and the Bond Resolution are, and as of the Closing shall be, true and correct unless modified as provided herein or therein, and, between the date hereof and the Closing, the District shall not take any action that shall cause the representations and warranties made herein to be untrue as of the Closing.

(xii) Disclosure of Agreements, Contracts and Restrictions. Except as disclosed in the Preliminary Official Statement, the District is not a party to any contract or agreement or subject to any restriction, the performance of or compliance with which may have a material adverse effect on the financial condition, operations or prospects of the District or ability of the District to comply with all the requirements set forth in the Official Statement, the Bond Resolution, the District Documents or the Bonds.

(xiii) Compliance with the Rule. Except as otherwise disclosed in the Official Statement, the District has been during the previous five years and is currently in material compliance with

continuing disclosure undertakings which the District has entered into pursuant to paragraph (b)(5) of the Rule, if any.

(iv) Financial Statements. The financial statements of the District contained in the Official Statement fairly present the financial position and results of operations of the District as of the dates and for the periods therein set forth in accordance with generally accepted accounting principles as applied to municipal corporations, and, since the date thereof, there has been no material adverse change in the financial position or results of operations of the District.

(xv) Preserve Tax-Exemption. The District shall not knowingly take or omit to take any action that, under existing law, may adversely affect the exclusion from gross income for federal income tax purposes, or the exemption from any applicable state tax, of the interest on the Bonds.

(b) The undersigned, on behalf of the Underwriter, but not individually, represents and warrants to the District as follows:

(i) Existence. The Underwriter is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization.

(ii) Due Execution and Delivery. This Purchase Contract has been duly authorized, executed and delivered by the Underwriter and, assuming the due authorization, execution and delivery by the District, is the legal, valid and binding obligation of the Underwriter enforceable in accordance with its terms, except as the enforceability of this Purchase Contract may be limited by application of Creditors' Rights Laws.

(iii) License/Registration. The Underwriter is licensed by and registered with the Financial Industry Regulatory Authority as a broker-dealer and the MSRB as a municipal securities dealer.

5. Closing.

(a) At the Closing, the Bonds shall be delivered to the Underwriter through the facilities of The Depository Trust Company (hereinafter referred to as "DTC"), or, if by the means of a "Fast Automated Securities Transfer," with the Bond Registrar. The Bonds shall be in registered form as a single typewritten bond per maturity as described in the Official Statement and registered in the name of Cede & Co., as nominee of DTC, duly executed and authenticated, together with the items identified in Section 6. It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriter to accept delivery of the Bonds in accordance with the terms of this Purchase Contract.

(b) At the Closing, the Underwriter shall accept delivery of the Bonds and pay the purchase price of the Bonds in federal or other immediately available funds, by wire transfer, to the order of the District.

6. Closing Conditions. The Underwriter has entered into this Purchase Contract in reliance upon the representations and warranties herein and in the Indemnity Letter and the performance by the District of the obligations of the District pursuant to this Purchase Contract and of Pulte pursuant to the Indemnity Letter, both as of the date hereof and as of the Closing. The obligations of the Underwriter under this Purchase Contract are and shall also be subject to the following conditions:

(a) The representations and warranties of the District contained herein and of Pulte contained in the Indemnity Letter shall be true, complete and correct in all material respects at the date hereof and on the date of the Closing, as if made on the date of the Closing.

(b) At the time of the Closing, (i) the Bond Resolution, the District Documents and this Purchase Contract shall be in full force and effect and shall not have been amended, modified or supplemented from the proposed form delivered to the Underwriter, except as disclosed or contemplated by the Official Statement and (ii) the District shall perform or have performed all of its obligations required under or specified in this Purchase Contract and the Official Statement to be performed at or prior to the Closing.

(c) At the time of the Closing, no "event of default" shall have occurred or be existing under this Purchase Contract nor shall any event have occurred which, with the passage of time or the giving of notice, or both, shall constitute an event of default under this Purchase Contract nor shall the District be in default in the payment of principal or interest on any of its obligations for borrowed money.

(d) In recognition of the desire of the District and the Underwriter to effect a successful public offering of the Bonds and in view of the potential adverse impact of any of the following events on such an offering, the Underwriter shall have the right to terminate this Purchase Contract by written notification to the District if at any time prior to or as of the Closing:

(i) the Official Statement shall have been amended, modified or supplemented without the consent of the Underwriter; or

(ii) any event shall occur which makes untrue any statement of a material fact in the Official Statement or makes a material omission which should be included in the Official Statement in order to make the statements in the Official

Statement, in light of the circumstances under which they were made, not misleading; or

(iii) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State shall be rendered, which materially adversely affects the market price of the Bonds; or

(iv) a stop order, ruling, regulation or statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Bond Resolution needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(v) legislation shall be enacted by the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, to the effect that obligations of the general character of the Bonds, or the Bonds, including all the underlying obligations, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or that the Bond Resolution is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect; or

(vi) legislation shall have been passed by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States or the United States Department of the Treasury or the Internal Revenue Service or any member of the United States Congress or the State Legislature or a decision shall have been rendered by a court of the United States or of the State or by the Tax Court of the United States, or a ruling or statement (including a press release) or proposal shall have been made or a regulation shall have been proposed or made by or on behalf of the Treasury Department of the United States or the Internal Revenue Service or other federal or State authority, with respect to federal or State taxation upon revenues or other income of the general character to be derived by the District pursuant to the Bond Resolution, or upon interest on obligations of the general character of the Bonds, or, with respect to State taxation of the interest on the Bonds as described in the Official Statement, or

other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences or State income tax consequences of any of the transactions contemplated in connection herewith, or any other action or events shall have occurred which, in the judgment of the Underwriter, materially adversely affect the market for the Bonds or the market price generally of obligations of the general character of the Bonds (it being agreed by the Underwriter that there is no legislative, judicial or regulatory circumstance of such character as of the date hereof); or

(vii) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a change to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; or

(viii) a general banking moratorium shall have been established by federal, Arizona or New York authorities or a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or

(ix) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak of hostilities or a national or international calamity or crisis, financial or otherwise, the effect of such outbreak, calamity or crisis on the financial markets of the United States being such as, in the reasonable opinion of the Underwriter, would affect materially or adversely the ability of the Underwriter to market the Bonds (it being agreed by the Underwriter that there is no outbreak, calamity or crisis of such character as of the date hereof) or

(x) any action, suit or proceeding described in Section 4(a)(x) hereof shall have been commenced.

(e) At or prior to the Closing, the Underwriter shall receive two copies of the transcript of all proceedings of the District relating to the authorization and issuance of the Bonds, certified, as necessary, by appropriate officials of the District, including, but not limited to, the following opinions, letter, certificate and other documents:

(1) An unqualified approving opinion of Gust Rosenfeld P.L.C., "Bond Counsel," as to the Bonds, dated the date of the Closing, addressed to the District and substantially in the form included in the Official Statement;

(2) The supplemental opinion of such counsel, as Bond Counsel and counsel to the District, dated the date of the Closing, addressed to the Underwriter and substantially in the form attached hereto as Exhibit B;

(3) An opinion of Berens, Kozub, Kloberdanz & Blonstein, PLC, counsel to Pulte, dated the date of the Closing, addressed to the Underwriter and the District and substantially in the form attached hereto as Exhibit C;

(4) An opinion of Greenberg Traurig, LLP, counsel to the Underwriter, dated the date of the Closing, addressed to the Underwriter and substantially in the form attached hereto as Exhibit D;

(5) A certificate or certificates of representatives of the District, dated the date of the Closing, signed by an authorized official of the District and in form and substance satisfactory to Bond Counsel and to the Underwriter, in which such official, to the best of his knowledge, information and belief, states:

(i) That the representations and warranties contained herein are true and correct in all material respects on and as of the date of the Closing with the same effect as if made on the date of the Closing;

(ii) That, except as described in the Official Statement, 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 District of the provisions of the District Documents or the levy and receipt of ad valorem taxes for payment of the Bonds; (B) in any way contesting or affecting the authority for, or the validity of, this Purchase Contract or the application of the proceeds of the Bonds or (C) in any way contesting the existence or powers of the District;

(iii) That no authority or proceedings for the issuance of the Bonds 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 signors;

(iv) That the District 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 Closing and

(v) That the Official Statement is true, correct and complete in all material respects and does not include any untrue statement of a material fact or omit to state any material fact necessary to make such statements, in light of the circumstances under which such statements were made, not misleading and no event affecting the District has occurred since the date of the Official Statement which should be disclosed in the Official Statement which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect;

(6) A certificate or certificates of Pulte, signed by authorized officials of Pulte and in form and substance satisfactory to the Underwriter, to the effect that the representations and warranties contained in the Indemnity Letter and in the documents executed by Pulte in connection with the issuance of the Bonds are true and correct in all material respects as of the Closing;

(7) A specimen of the Bonds;

(8) A certified copy of the Bond Resolution;

(9) A counterpart original of the Official Statement, manually executed on behalf of the District by the Chairman of the District Board of the District and an executed copy of the Deemed Final Certificate;

(10) A certificate of the District, in form and substance satisfactory to Bond Counsel, setting forth facts, estimates and circumstances in existence on the date of the Closing which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of the Code and any applicable regulations whether final, temporary or proposed), issued pursuant to the Code;

(11) The filing copy of the Information Return Form 8038-G (IRS) for the Bonds and of the Report Relating to Bond and Security Issuance of the State Treasurer for the Bonds;

(12) Evidence that Build America Mutual Assurance Company (the "Insurer") has issued its municipal bond insurance policy with respect to the Bonds (hereinafter referred to as the "Policy") as well as appropriate opinions and certificates from the Insurer relating to the Policy;

(13) Evidence that Standard & Poor's Financial Services LLC (hereinafter referred to as "S&P") has issued

a rating of "AA" for the Bonds based on issuance of the Policy and that S&P has issued an underlying rating for the Bonds of "BBB" (collectively, the "Ratings"), and that the Ratings are then in effect;

(14) An executed copy of each of the District Documents and

(15) Such additional opinions, letters, certificates, instruments and other documents as the Underwriter or its counsel may reasonably deem necessary to satisfy conditions to the issuance of the Bonds required by the Bond Resolution, to evidence the truth and accuracy as of the Closing, or prior to such time, of the representations, warranties and covenants of the District and of Pulte and the due performance or satisfaction by the District and by Pulte of all agreements then to be performed and all conditions then to be satisfied by the District or by Pulte.

(All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Contract shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriter and its counsel; provided, however, that acceptance by the Underwriter of the Bonds shall be deemed by the Underwriter to be satisfaction of the foregoing.)

If the District shall be unable to satisfy the conditions contained in this Purchase Contract or if the obligations of the Underwriter shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract (except the warranties and representations of the District herein) shall terminate and neither the Underwriter nor the District shall be under further obligation hereunder, except as further set forth in Section 7. However, the Underwriter may, in its sole discretion, waive one or more of the conditions imposed by this Purchase Contract and proceed with the Closing.

7. Expenses.

(a) The District shall pay from amounts contributed by Pulte the expenses incident to the performance of its obligations hereunder, including but not limited to (1) the cost of printing, engraving or typewriting and mailing or delivering the definitive Bonds and the Preliminary Official Statement, the Official Statement, the Bond Resolution and the District Documents in reasonable quantities and all other documents (other than as set forth in the next succeeding paragraph) prepared in connection with the transactions contemplated hereby; (2) the fees and disbursements of FirstSouthwest, a division of Hilltop Securities Inc., "Financial Advisor," the Bond Registrar and the Dissemination Agent in connection with the issuance of the Bonds; (3) the fees and expenses incurred for the Ratings;

(4) the fees and disbursements of Bond Counsel, counsel to the Underwriter and counsel to the District; (5) the fees and disbursements of any other experts or consultants retained by the District in connection with the transactions contemplated hereby; (6) fees and expenses incurred by the District or the Underwriter for the Policy and the Ratings and (7) reasonable miscellaneous, normally occurring, "out-of-pocket" expenses incurred by the Underwriter in connection with the issuance and sale of the Bonds.

(b) The Underwriter shall pay (1) all advertising expenses in connection with the public offering of the Bonds and (2) all other expenses incurred by it in connection with its public offering and distribution of the Bonds, except the fees and disbursements of counsel to the Underwriter and the other expenses provided for in the immediately preceding paragraph.

(c) If this Purchase Contract shall be terminated by the Underwriter because of any failure or refusal on the part of the District to comply with the terms or to fulfill any of the conditions of this Purchase Contract, or if for any reason the District shall be unable to perform its obligations under this Purchase Contract, the District will reimburse, solely from amounts contributed by Pulte, the Underwriter for all "out-of-pocket" expenses (including the fees and disbursements of counsel to the Underwriter) reasonably incurred by the Underwriter in connection with this Purchase Contract or the offering contemplated hereunder.

8. Notice. Any notice or other communication to be given to the District pursuant to this Purchase Contract may be given by delivering the same in writing to the address set forth on the first page of this Purchase Contract, and any notice or other communication to be given to the Underwriter pursuant to this Purchase Contract may be given by delivering the same in writing to Stifel, Nicolaus & Company, Incorporated, Suite 750, 2325 East Camelback Road, Phoenix, Arizona 85016, Attention: Mr. B. Mark Reader, Managing Director.

9. Notice Concerning Cancellation of Contracts. As required by the provisions of Section 38-511, Arizona Revised Statutes, as amended, notice is hereby given that the State, its political subdivisions (including the District) or any department or agency of either may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the State, its political subdivisions, or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any of the departments or agencies of either is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice from the Governor or the chief executive officer or governing body of the political subdivision is received by all other parties to the contract unless

the notice specifies a later time. The State, its political subdivisions or any department or agency of either may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any department or agency of either from any other party to the contract arising as the result of the contract. This section is not intended to expand or enlarge the rights of the District hereunder except as required by such Section. Each of the parties hereto hereby certifies that it is not presently aware of any violation of such Section which would adversely affect the enforceability of this Purchase Contract and covenants that it shall take no action which would result in a violation of such Section.

10. Miscellaneous.

(a) Entire Agreement, Parties in Interest, Etc. This Purchase Contract, when executed by the District, shall constitute the entire agreement between the District and the Underwriter and is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the Underwriter). This Purchase Contract may not be assigned by the District. No other person shall acquire or have any right hereunder by virtue hereof. All the representations, warranties and agreements by the District in this Purchase Contract shall remain operative and in full force and effect regardless of (i) any investigation made by or on behalf of the Underwriter, (ii) delivery of any payment for the Bonds hereunder and (iii) any termination of this Purchase Contract.

(b) No Recourse. No recourse shall be had for any claim based on this Purchase Contract or any resolution, certificate, document or instrument delivered pursuant hereto against any member, officer or employee, past, present or future, of the District or of any successor body, either directly or through the District or any such successor body.

(c) Execution in Counterparts; Section Headings. This Purchase Contract may be executed in any number of counterparts, all of which, taken together, shall be one and the same instrument, and any parties hereto may execute this Purchase Contract by signing any such counterpart. Section headings have been inserted in this Purchase Contract as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Purchase Contract and will not be used in the interpretation of any provisions of this Purchase Contract.

(d) Severability. The invalidity or unenforceability of any provision hereof as to any one or more jurisdictions shall not affect the validity or enforceability of the balance of this Purchase Contract as to such jurisdiction or jurisdictions or affect in any way such validity or enforceability as to any other jurisdiction. If any provision of this Purchase Contract shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in

any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Purchase Contract invalid, inoperative or unenforceable to any extent whatever.

(e) Waiver or Modification. No waiver or modification of any one or more of the terms and conditions of this Purchase Contract shall be valid unless in writing and signed by the party or parties making such waiver or agreeing to such modification.

(f) State of Arizona Law Governs. The validity, interpretation and performance of this Purchase Contract shall be governed by the laws of the State.

(g) Electronic Signatures. The electronic signature of a party to this Purchase Contract shall be as valid as an original signature of such party and shall be effective to bind such party to this Purchase Contract. For purposes hereof: (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format (pdf) or other replicating image attached to an email or internet message.

(h) Effectiveness. This Purchase Contract shall become effective upon the acceptance hereof by the District and shall be valid and enforceable at the time of such acceptance.

STIFEL, NICOLAUS & COMPANY, INCORPORATED

By B. Mark Reader
B. Mark Reader, Managing Director

Accepted at 12:16 P.M. on June 23, 2016.

FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT

By .....
Larry D. Price, District Treasurer

ATTEST:

Lucinda L. Espin
District Clerk

APPROVED AS TO FORM:

GUST ROSENFELD P.L.C.,
Attorney for the District

By Fred Rosenfeld

SCHEDULE

Maturity (July 15)	Principal Amount	Interest Rate	Yield
2017	$ 70,000	2.00%	1.05%
2018	75,000	2.00	1.19
2019	80,000	3.00	1.38
2020	85,000	3.00	1.53
2021	90,000	4.00	1.71
2022	95,000	4.00	1.86
2023	100,000	4.00	2.01
2024	100,000	4.00	2.11
2025	105,000	4.00	2.21
2026	110,000	4.00	2.31
2031	625,000	4.00	2.66*
2036	3,875,000	4.00	2.89*

* Priced to July 15, 2026, the first optional redemption date.

Optional Redemption. The Bonds are subject to redemption prior to maturity, at the option of the District, on or after July 15, 2026, in whole or in part on any date, at the redemption price of the principal amount of the Bonds or portion thereof being redeemed plus interest accrued to the date of redemption, but without premium.

Mandatory Redemption. The Bonds maturing on July 15 of the following years will be redeemed on July 15 of the following years and in the following principal amounts at a price equal to the principal amount thereof plus interest accrued to the date of redemption, but without premium:

Year Redeemed	Principal Amount Redeemed
Term Bond Maturing 2031	
2027	$115,000
2028	120,000
2029	125,000
2030	130,000
2031 (maturity)	135,000
Term Bond Maturing 2036	
2032	$ 145,000
2033	205,000
2034	750,000
2035	1,360,000
2036 (maturity)	1,415,000

31657803.3-6/23/2016

EXHIBIT A

FORM OF UNDERWRITER'S CERTIFICATE

This Certificate is furnished by Stifel, Nicolaus & Company, Incorporated as underwriter (the "Underwriter") of the $5,410,000 stated principal amount of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) General Obligation Bonds, Series 2016 (the "Bonds"). The Underwriter hereby certifies and represents the following, based upon the information available to it:

1. Issue Price.

1.1 As of the date a purchase agreement was signed with respect to the Bonds (the "Sale Date"), we reasonably expected that the first prices at which the Bonds would be sold to the general public (excluding bond houses, brokers, or similar persons acting in the capacity of underwriter or wholesalers) in a *bona fide* public offering would be the prices listed on Schedule A.

1.2 In our opinion, and based upon our estimate as of the Sale Date, the initial offering prices of the Bonds set forth in Schedule A are within a reasonable range of, and should reflect, the fair market prices for such Bonds.

1.3 As of the Sale Date, all of the Bonds have actually been offered to the general public at the prices listed in Schedule A.

1.4 As of the Sale Date at least 10% of each maturity of the Bonds were first sold [or reasonably expected to be sold] to the general public at the prices referred to in Schedule A[, with the exception of the following maturities: _____].

2. Credit Enhancement.

2.1 The present value of the amounts paid to obtain the Bond Insurance (as defined in the Tax Certificate) is less than the present value of the interest reasonably expected to be saved as a result of having the Bond Insurance, using the yield on the Bonds as the discount factor for this purpose.

2.2 To the best knowledge of the undersigned, the amount paid by the District to the Insurer (as defined in the Tax Certificate) for the Bond Insurance is within a reasonable range of premiums charged for comparable credit enhancement for obligations comparable to the obligation evidenced and represented by the Bonds.

2.3 The fees paid and to be paid to obtain the Bond Insurance were determined in arm's-length negotiations and were required as a condition to the issuance by the Insurer of the Bond Insurance.

2.4 To the best of knowledge of the undersigned, the fees paid and to be paid for the Bond Insurance represent a commercially reasonable charge for the transfer of credit risk. Such fees do not include any direct or indirect payment for a cost, risk or other element that is not customarily borne by guarantors of tax-exempt bonds in transactions in which the guarantor has no involvement other than as guarantor. No non-guarantee services are being provided by the Insurer.

We express no view regarding the legal sufficiency of any such computations or the correctness of any legal interpretation made by Bond Counsel.

Nothing herein represents our interpretation of any laws or regulations under the Internal Revenue Code of 1986, as amended.

Dated: July 13, 2016

STIFEL, NICOLAUS & COMPANY,
INCORPORATED, as underwriter

By:_____
B. Mark Reader, Managing Director

By:_____
[underwriter]

EXHIBIT B

[LETTERHEAD OF GUST ROSENFELD P.L.C.]

[Closing Date]

Stifel, Nicolaus & Company, Incorporated
Suite 750
2325 East Camelback Road
Phoenix, Arizona 85016

Re: Festival Ranch Community Facilities District (City of Buckeye, Arizona) General Obligation Bonds, Series 2016

WE HAVE ACTED as Bond Counsel to Festival Ranch Community Facilities District (hereinafter referred to as the "Issuer"), in connection with the issuance this date by the Issuer of bonds designated its General Obligation Bonds, Series 2016 in the aggregate principal amount of $5,410,000 (hereinafter referred to as the "Bonds") and otherwise as counsel to the Issuer. The Bonds are issued under the resolution adopted by the District Board of the Issuer on May 17, 2016 (hereinafter referred to as the "Resolution"), are the subject of an Official Statement, dated June 23, 2016 (hereinafter referred to as the "Official Statement"), and are being sold pursuant to a Purchase Contract, dated June 23, 2016 (hereinafter referred to as the "Purchase Contract"), by and between the Issuer and Stifel, Nicolaus & Company, Incorporated (hereinafter referred to as the "Underwriter"), a Bond Registrar, Transfer Agent and Paying Agent Contract, dated as of July 1, 2016, by and between the Issuer and Zions Bank, a division of ZB, National Association, as registrar (the "Bond Registrar Contract"), in each case in accordance with the Resolution, a Continuing Disclosure Undertaking, dated even date hereof (hereinafter referred to as the "Undertaking"), from the Issuer, and a Dissemination Agency Agreement, dated as of _July 1, 2016 (hereinafter referred to as the "Dissemination Agency Agreement" and collectively with the Bond Registrar Contract, the Undertaking and the Purchase Contract, as the "District Documents"), by and between the Issuer and David Taussig & Associates, Inc. (You may rely on our opinion as Bond Counsel, dated of even date herewith, with regard to the Bonds as if addressed to you.)

IN OUR CAPACITY as Bond Counsel, and as counsel as described hereinabove to the Issuer, we have examined and relied upon:

(i) A certified copy of the Resolution (which authorized, among other matters, execution and delivery of the Purchase Contract);

(ii) An executed copy of the Bond Registrar Contract;

(iii) An executed copy of the Official Statement;

(iv) An executed copy of the Purchase Contract;

(v) An executed copy of the Undertaking;

(vi) An executed copy of the Dissemination Agency Agreement;

(vii) Such other agreements, certificates (including particularly, but not by way of limitation, certificates of Pulte Home Corporation (hereinafter referred to as "Pulte"), dated of even date herewith), opinions, letters and other documents, including all documents delivered or distributed at the closing of the sale of the Bonds, as we have deemed necessary or appropriate in rendering the opinions set forth herein and

(viii) Such provisions of the Constitution and laws of the State of Arizona and the United States of America as we believe necessary to enable us to render the opinions set forth herein.

IN OUR EXAMINATION, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified or photostatic copies, the authenticity of the originals of such latter documents and the accuracy of the statements contained in such certificates. In connection with our representation of the Issuer in the capacities described above, we have also participated in conferences from time to time with representatives of and counsel to the Issuer, the Underwriter and Pulte relating to the District Documents.

We are of the opinion, based upon the foregoing and subject to the reliance hereinabove indicated and the qualifications hereinafter set forth, that under applicable law of the State of Arizona and federal law of the United States of America in force and effect on the date hereof:

1. The Issuer is duly organized and validly existing as a community facilities district for purposes set forth in Section 48-708(B), Arizona Revised Statutes, as amended,

pursuant to the Constitution and laws of the State of Arizona and has all requisite power and authority thereunder (a) to adopt the Resolution, (b) to authorize, execute, deliver and issue, as applicable, the District Documents and the Bonds, (c) to approve, execute and authorize the use and distribution of the Official Statement (including, as applicable, the Preliminary Official Statement, dated June 10, 2016 (hereinafter referred to as the "Preliminary Official Statement"), with respect to the Bonds) and (d) to carry out and consummate the transactions contemplated by the Official Statement, the Resolution, the District Documents and the Bonds (including performing the applicable obligations thereunder).

2. Adoption of the Resolution; authorization, execution, delivery and issuance, as applicable, of, and the due performance of the obligations of the District under, the District Documents and the Bonds and the approval, execution and authorization of the use and distribution of the Official Statement (including, as applicable, the Preliminary Official Statement) by the Issuer under the circumstances contemplated thereby do not and will not in any material respect conflict with or constitute on the part of the Issuer a breach of or default under any agreement or other instrument to which the Issuer is a party or of any existing law, ordinance, administration regulation, court order or consent decree to which the Issuer is subject.

3. No consent of any other party, and no consent, license, approval or authorization of, exemption by or registration with any governmental body, authority, bureau or agency (other than those that have been obtained or will be obtained prior to the delivery of the Bonds), is required in connection with the adoption by the Issuer of the Resolution or the authorization, execution, delivery, issuance and performance, as applicable, by the Issuer of the District Documents and the Bonds and the consummation of the transactions contemplated by the Official Statement.

4. The Issuer has duly (a) adopted the Resolution and (b) authorized (i) the authorization, execution, delivery and issuance, as applicable of, and the performance of its obligations under, the District Documents and the Bonds and (ii) the taking of the actions required on the part of the Issuer to carry out, give effect to and consummate the transactions contemplated by the Official Statement, the Bond Resolution, the District Documents and the Bonds. The Issuer has complied with all applicable provisions of law

and has taken all actions required to be taken by it to the date hereof in connection with the transactions contemplated by the aforesaid documents.

5. The District Documents have been duly authorized, executed and delivered by the Issuer and, assuming due and valid authorization, execution and delivery by the other party thereto, constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their terms.

6. Based solely upon a search of the records of the Superior Court in and for the State of Arizona, County of Maricopa and the United States District Court for the District of Arizona through ....., 2016, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or overtly threatened against or affecting the Issuer, and there is no basis therefor, (i) which in any way questions the powers of the Issuer referred hereinabove or the validity of the proceedings taken by the Issuer in connection with the issuance and sale of the Bonds, (ii) wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Official Statement, the Bond Resolution, the District Documents or the Bonds or would in any way adversely affect the validity or enforceability of the Bond Resolution, the District Documents or the Bonds (or of any other instrument required or contemplated for use in consummating the transactions contemplated thereby or by the Purchase Contract or by the Official Statement) or (iii) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement. Further, there are no lawsuits pending or threatened against the Issuer which question the right of the Issuer to levy, receive and pledge special assessments or taxes, nor lawsuits pending or overtly threatened against the Issuer which, if decided adversely to the Issuer, would, individually or in the aggregate, have a material adverse effect on the financial condition of the Issuer or impair the ability of the Issuer to comply with all the requirements set forth in the Official Statement, the Bond Resolution, the District Documents or the Bonds.

7. The information contained in the Preliminary Official Statement and the Official Statement in the tax caption on the cover thereof, under the headings "THE DISTRICT," "THE BONDS," "SECURITY FOR AND SOURCES OF PAYMENT" (except the information included under the

subheading "Ad Valorem Property Taxation in the District"), "OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS - Additional General Obligation Bonded Indebtedness of the District," "LITIGATION," "TAX EXEMPTION," "BOND PREMIUM," "QUALIFIED TAX-EXEMPT OBLIGATIONS," "CONTINUING DISCLOSURE" (except as it relates to compliance with prior undertakings) and "RELATIONSHIP AMONG PARTIES" (only as it relates to Bond Counsel) therein and in Appendix B - "FORM OF LEGAL OPINION OF BOND COUNSEL" and Appendix D - "FORM OF CONTINUING DISCLOSURE UNDERTAKING" insofar as such information purports to summarize certain provisions of federal or state law or of the Bonds, fairly summarizes the information which it purports to summarize. Furthermore, based solely on our participation in the transaction as Bond Counsel, nothing has come to our attention that would lead us to believe that the information and statements in the Preliminary Official Statement, as of its date and as of the date of sale of the Bonds, and the Final Official Statement, as of its date and as of the date hereof, contained or contain any untrue statement of a material fact or omitted or omit, respectively, to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, no view is expressed as to the financial statements of the District, any other financial, forecast, technical or statistical data, and any information in the Preliminary Official Statement or the Official Statement respecting The Depository Trust Company.

8. It is not necessary in connection with the issuance and sale of the Bonds to the public to register the Bonds under the Securities Act of 1933, as amended, or to qualify the Resolution under the Trust Indenture Act of 1939, as amended.

9. The sale of the Bonds pursuant to the terms described in the Official Statement complies with the requirements of Section 48-719(C), Arizona Revised Statutes, as amended.

Our opinions expressed in paragraph 5 hereof are qualified to the extent that the enforceability of the District Documents is dependent upon the due authorization, execution and delivery of (and authority to perform lawfully) the District Documents by the other party thereto and to the extent that the enforceability of the District Documents may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights and the exercise of judicial discretion in accordance with general principles of equity, including possible refusal by a particular court to

grant certain equitable remedies such as specific performance with respect to the enforcement of any provision of such documents. We express no opinion as to the enforceability of any provisions of the District Documents (i) restricting access to legal or equitable remedies, (ii) purporting to establish evidentiary standards or waiving or otherwise affecting any rights to notice, demand or exhaustion of collateral, (iii) relating to self-help, subrogation, indemnification, delay or omission to enforce rights or remedies, severability or marshalling of assets or (iv) purporting to grant to the owners of the Bonds or to any party to the District Documents (other than the Issuer) any rights or remedies not specifically set forth therein.

This opinion is furnished by us as bond counsel. No attorney-client relationship has existed or exists between our firm and the addressee in connection with the Bonds or by virtue of this opinion. This opinion is solely for the addressee's benefit and, except as specifically stated herein, is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This opinion speaks only as of its date, and no republication is intended upon the sale, assignment, conveyance or transfer of the Bonds by the Underwriter.

Respectfully submitted,

EXHIBIT C

[LETTERHEAD OF BERENS, KOZUB, KLOBERDANZ & BLONSTEIN PLC]

[Closing Date]

Stifel, Nicolaus & Company, Incorporated
Suite 750
2325 East Camelback Road
Phoenix, Arizona 85016

District Board
Festival Ranch Community Facilities District
c/o City of Buckeye, Arizona
530 East Monroe Avenue
Buckeye, Arizona 85326

Re: Festival Ranch Community Facilities District (City of Buckeye, Arizona) General Obligation Bonds, Series 2016

WE HAVE ACTED as counsel to Pulte Home Corporation, a corporation incorporated and existing pursuant to the laws of the State of Michigan (hereinafter referred to as "Pulte"), particularly in connection with the transactions provided for by the documents referred to herein and in connection with the issuance and sale of the captioned Bonds, sold pursuant to a Purchase Contract, dated June 23, 2016 (hereinafter referred to as the "Purchase Contract"), by and between Stifel, Nicolaus & Company, Incorporated (hereinafter referred to as the "Underwriter"), and Festival Ranch Community Facilities District (hereinafter referred to as the "District"). Any capitalized term used and not defined herein shall have the meaning assigned to it in the Purchase Contract.

For purposes of this opinion, we have examined the following:

(1) The executed Purchase Contract;

(2) The executed Official Statement, dated June 10, 2016 (hereinafter referred to as the "Official Statement"), of the District;

(3) The executed Pulte Indemnity Letter, dated the date of sale of the Bonds by Pulte;

(..) .....
.....; and

(..) Such other documents and instruments as we have considered necessary or appropriate for the purposes of this opinion

and received such other information from representatives of Pulte as we have deemed necessary for the purposes of this opinion (hereinafter referred to, collectively, as "due inquiry"). (The document listed in paragraph (3) above is hereinafter referred to as the "Pulte Document." The documents listed in paragraphs (..) through (..) above are hereinafter referred to as the "Organizational Documents.").

In rendering the following opinions, we have assumed:

(a) The genuineness of all signatures to the Pulte Document, except for the signatures of Pulte on the Pulte Document, and the legal capacity of each natural person executing the Pulte Document;

(b) The authenticity and completeness of documents submitted as originals and the conformity to originals of documents submitted as copies;

(c) The due authorization, execution, acknowledgment where necessary, and delivery, and the validity and binding effect, of the Pulte Document with regard to the parties to that agreement other than Pulte;

(d) The Pulte Document accurately describes and contains the agreement and mutual understanding of the parties thereto and that there are no oral or written statements or agreements that modify, amend or vary, or purport to modify, amend or vary, any of the terms of the Pulte Document;

(e) 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; and

(f) After due inquiry, the parties' representations and warranties contained in the Pulte Document are truthful and accurate and all reports and other documents prepared by third party consultants, relating to the transactions contemplated by the Pulte

Document or any of the property within the District are truthful and accurate.

Based on the foregoing, and subject to the limitations, qualifications and assumptions set forth herein, it is our opinion that:

1. Pulte is a corporation duly incorporated and validly existing under the laws and Constitution of the State of Michigan.

2. Pulte is qualified to do business under the laws of the State of Arizona.

3. Pulte has the requisite power and authority under the laws of the State of Arizona as well as all consents, approvals, authorizations and other actions by, and filings with, all federal, State and local governmental authorities required (i) to execute and deliver the Pulte Document and carry out the terms and conditions applicable to it under, and consummate all transactions contemplated by, the Pulte Document; (ii) to own and operate its properties and assets as described in the Official Statement and (iii) to carry out its business as such business is currently being conducted as described in the Official Statement.

4. The execution, delivery and performance of the Pulte Document by Pulte and the carrying out, giving effect to and consummation of the transactions contemplated thereby have been duly authorized by all necessary corporate action on the part of Pulte, and the Pulte Document has been duly executed and delivered by Pulte.

5. The Pulte Document is in full force and effect as of the date hereof and constitutes a legal, valid and binding obligation of Pulte, enforceable in accordance with its terms.

6. The execution and delivery of the Pulte Document by Pulte, and the performance of its obligations thereunder, do not and will not conflict with or result in a violation of, or a default pursuant to, the Organizational Documents.

7. To our actual knowledge, the execution and delivery of the Pulte Document by Pulte will not conflict with or result in a violation of any contract, indenture, instrument or other agreement to which Pulte is a party or by which it or its properties are bound.

8. To our actual knowledge, no consent, approval, authorization or other action by, or filing with, any federal, State or local governmental authority is required in connection with the

execution and delivery by Pulte of the Pulte Document which consent, approval, authorization or other action has not already been obtained.

9. We have no actual knowledge that Pulte is in violation of any provision of, or in default under, its Organizational Documents or any agreement or other instrument, violation of or default under which would materially and adversely affect the business, properties, assets, liabilities or conditions (financial or other) of Pulte.

10. We have no actual knowledge of any legal or governmental actions, proceedings, inquiries or investigations pending or overtly threatened by any governmental authorities or to which Pulte is a party or of which any property of Pulte is subject, except as described in the Official Statement.

11. To our actual knowledge, the information contained in the Official Statement under the headings "LAND DEVELOPMENT," "THE PUBLIC INFRASTRUCTURE," "PUBLIC INFRASTRUCTURE FINANCED BY THE BONDS," "PULTE" and "RISK FACTORS" does not contain any untrue statement of material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which such statements were made, not misleading. In connection with our participation with the Official Statement, we have not undertaken to independently determine the accuracy, completeness or fairness of the statements contained therein, except as and to the extent provided in this paragraph, and the knowledge available to us is such that we are unable to assume, and do not assume, any responsibility for the accuracy, completeness or fairness of such information. However, on the basis of such participation, we have not acquired any knowledge that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which such statements are made, not misleading.

The opinions set forth above are subject to the following qualifications and limitations: (i) enforceability of the Pulte Document may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium, arrangement or laws or court decisions affecting the enforcement of creditors' rights generally; (ii) enforceability of the Pulte Document is subject to general principles of equity, whether remedies are sought in equity or at law; (iii) enforceability of the Pulte Document is further subject to the qualification that certain waivers, procedures, remedies, indemnities and other provisions of the Pulte Document may be unenforceable under or limited by Arizona law; however, such law does not, in our opinion, substantially prevent the practical realization of the benefits intended by the Pulte Document; (iv) we are expressing no opinion as to the enforceability of any indemnity provision with respect to any

claims or other matters that result from the negligence or misconduct of any indemnitee or the failure of any indemnitee to act in a commercially reasonable manner and (v) we are expressing no opinion as to the compliance of the Pulte Document or the offer and sale of the Bonds with any securities law or regulation except as provided in paragraph 11 hereof.

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 hereto after due inquiry. Except as specifically set forth herein, we have not made any independent investigation, verification, or review of any matters whatsoever and we are relying solely on such specifically stated investigation or review. We express no opinion concerning the legal validity and sufficiency of the acts of any of the other parties to the Pulte Document.

We are qualified to practice law in the State of Arizona, and we do not purport to express any opinion herein concerning any law other than the laws of the State of Arizona and, for the limited subject of the corporate authority and corporate existence of Pulte, the laws of the State of Michigan. Our opinions are as to what the law is or might reasonably be expected to be at the date hereof, and we assume no obligation to revise or supplement this opinion due to any change in the law by legislative action, judicial decision or otherwise. Any opinion as to the enforceability of any document is limited to enforceability as between the original parties thereto.

This opinion is being furnished to you solely for your benefit and only with respect to the captioned Bonds. Accordingly, it may not be relied upon or quoted to any person or entity without, in each instance, our prior written consent.

Respectfully submitted,

EXHIBIT D

[LETTERHEAD OF GREENBERG TRAURIG, LLP]

[Closing Date]

Stifel, Nicolaus & Company, Incorporated
Suite 750
2325 East Camelback Road
Phoenix, Arizona 85016

Re: Festival Ranch Community Facilities District (City of Buckeye, Arizona) General Obligation Bonds, Series 2016

This opinion is rendered pursuant to the Purchase Contract, dated June 23, 2016, between you and Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "District"). We have acted as counsel for you in connection with the purchase by you of the captioned Bonds (the "Bonds"). As your counsel, we have examined the Preliminary Official Statement, dated June 10, 2016 (the "Preliminary Official Statement"), relating to the Bonds and the Official Statement, dated June 23, 2016 (the "Official Statement"), relating to the Bonds, the Resolution adopted by the District Board of the District on May 17, 2016 (the "Bond Resolution"), the Continuing Disclosure Undertaking, dated the date hereof (the "Continuing Disclosure Undertaking"), the Securities Act of 1933, as amended (the "1933 Act"), the Trust Indenture Act of 1939, as amended (the "1939 Act"), the rules, regulations and interpretations under the 1933 Act and the 1939 Act, and Rule 15c2-12 (the "Rule") prescribed under the Securities Exchange Act of 1934, as amended (the "Act"). In addition, we have examined originals (or copies certified or otherwise identified to our satisfaction) of such other instruments, certificates and documents as we have deemed necessary or appropriate for the purposes of the opinions rendered below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and other documents.

In accordance with our understanding with you, we rendered legal advice and assistance to you in connection with your

participation in the preparation of the Preliminary Official Statement and the Official Statement. Based upon our participation in the preparation of the Preliminary Official Statement and the Official Statement as counsel for you and the examination described hereinabove and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement and except as otherwise indicated herein, no information came to the attention of our attorneys assigned to this matter which leads us to believe that the Preliminary Official Statement as of its date and as of June 23, 2016, and the Official Statement as of its date and as of the date hereof, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. We express no views with respect to (i) the financial or statistical data included in the Preliminary Official Statement and the Official Statement, (ii) the information in Appendix C (or any other information about The Depository Trust Company, New York, New York, therein) to the Preliminary Official Statement and the Official Statement or (iii) the status of the Bonds for any purpose including particularly, but not by way of limitation, for federal or State income tax purposes.

We also have rendered legal advice and assistance to you as to the requirements of the Rule prescribed under the Act, in connection with your review, for purposes of the Rule, of the Continuing Disclosure Undertaking. Based upon our examination of the items referenced in this letter, including the Continuing Disclosure Undertaking and the Rule, and subject to the limitations expressed above, we are of the opinion that, under existing law, the Continuing Disclosure Undertaking satisfies paragraph (b)(5)(i) of the Rule, which requires an undertaking for the benefit of the holders, including beneficial owners, of the Bonds to provide certain annual financial information and event notices at the time and in the manner required by the Rule.

Based upon our examination of the items referenced in this letter, we are further of the opinion (i) that it is not necessary in connection with the sale of the Bonds to the public to register the Bonds under the 1933 Act or to qualify the Bond Resolution under the 1939 Act. For purposes of rendering such opinion, we have relied on the legal conclusions expressed by Gust Rosenfeld P.L.C., as Bond Counsel, as to the validity of the Bonds and the exclusion of interest on the Bonds from the gross income of their owners for federal income tax purposes.

We have not investigated independently the accuracy of any legal conclusions upon which we have relied that are expressed by other counsel; however, our attorneys assigned to this matter are not presently aware of any information that leads us to believe that it would be unreasonable to rely upon those legal conclusions.

References in this letter to "our attorneys assigned to this matter" refer only to those lawyers now with this firm who rendered legal services in connection with our representation of you in this matter.

Our engagement with respect to the matters addressed in this letter is concluded upon the delivery of this letter. The views expressed in this letter are as of, and are based upon the law in effect on, the date of this letter. Those views may be affected by actions taken or omitted or events occurring after the date of this letter, and we assume no obligation to revise or supplement this letter or to determine or to inform any person if such law changes or if any such actions are taken or omitted or any such events occur.

This letter is furnished solely for your benefit in connection with your purchase of the Bonds, and this letter may not, without our prior express consent, be used, circulated, quoted or otherwise referred to (except in lists or sets of closing documents), or be relied upon by any other person or for any other purpose.

Respectfully submitted,

ATTACHMENT

"Pulte Indemnity Letter"

June 23, 2016

Stifel, Nicolaus & Company, Incorporated
Suite 750
2325 East Camelback Road
Phoenix, Arizona 85016

District Board
Festival Ranch Community Facilities District
c/o City of Buckeye, Arizona
530 East Monroe Avenue
Buckeye, Arizona 85326

Re: Festival Ranch Community Facilities District (City of Buckeye, Arizona) General Obligation Bonds, Series 2016

This Indemnity Letter is delivered by Pulte Home Corporation, a corporation incorporated and existing pursuant to the laws of the State of Michigan (hereinafter referred to as "Pulte"), in order to induce Stifel, Nicolaus & Company, Incorporated (hereinafter referred to as the "Underwriter"), and Festival Ranch Community Facilities District, a community facilities district organized and existing pursuant to the laws of the State of Arizona (the "District"), to enter into the Purchase Contract, dated even date herewith (hereinafter referred to as the "Purchase Contract") related to the purchase by the Underwriter and sale by the District of the captioned Bonds (hereinafter referred to as the "Bonds"). Terms which are defined in the Purchase Contract have the meanings ascribed to them therein when used herein.

1. In consideration of the execution and delivery of the Purchase Contract, Pulte represents and warrants to the Underwriter and the District that:

(a) Pulte 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 information in the Official Statement with respect to the Bonds under the headings "LAND DEVELOPMENT," "THE

PUBLIC INFRASTRUCTURE," "PUBLIC INFRASTRUCTURE FINANCED BY THE BONDS," "PULTE" and "RISK FACTORS" (but not the other information, opinions, assumptions or projections contained therein) is true and correct in all material respects for the purposes for which its use is or was authorized, and such information does not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein in light of the circumstances under which they are or were made, not misleading.

(c) Neither the execution or delivery of this Indemnity Letter (hereinafter referred to as the "Pulte Document") nor the consummation of any other of the transactions herein contemplated, nor the fulfillment of, or compliance with, the terms hereof, shall contravene the organizational documents of Pulte or conflict with or result in a breach by Pulte of any of the terms, conditions or provisions of, or constitute a default by Pulte under, any bond, debenture, note, mortgage, indenture, agreement or other instrument to which Pulte is a party or by which it is or may be bound or to which any of the property or assets of Pulte is or may be subject, or any law or any order, rule or regulation applicable to Pulte of any court, federal or state regulatory body, administrative agency or other governmental body having jurisdiction over Pulte or any of the properties or operations of Pulte, or (except as contemplated by the Pulte Document) will result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of Pulte under the terms of any such restriction, bond, debenture, note, mortgage, indenture, agreement, instrument, law, order, rule or regulation.

(d) 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 Pulte, threatened against Pulte wherein an adverse decision, ruling or finding would (i) result in any material adverse change in the condition (financial or otherwise), results of operations, business or prospects of Pulte, or which would materially and adversely affect the properties (taken as a whole) of Pulte, and which has not been disclosed in the Official Statement, (ii) materially adversely affect the transactions contemplated by the Purchase Contract or the Pulte Document or (iii) adversely affect the validity or enforceability of the Pulte Document.

(e) Pulte has the full power and authority to execute and deliver the Pulte Document and perform its obligations hereunder and engage in the transactions contemplated by the Purchase Contract and the Pulte Document, and the Pulte Document has been duly authorized by Pulte and, when executed and delivered by the respective parties thereto, will constitute a valid, binding and enforceable

obligation of Pulte except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights and except as the indemnification provisions hereof may be limited by applicable securities laws or public policy.

(f) 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 Pulte of the transactions contemplated by the Purchase Contract and the Pulte Document.

2. Pulte shall indemnify and hold harmless the Underwriter, the District, the Financial Advisor and, as applicable each director, trustee, partner, member, officer, official, legal counsel, independent contractor or employee thereof and each person, if any, who controls the Underwriter, the District or the Financial Advisor within the meaning of the Securities Act of 1933, as amended (any such person being herein sometimes called an "Indemnified Party"), for, from and against any and all losses, claims, damages or liabilities, joint or several, (i) to which an 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 sections identified in Section 1(b) above in the Official Statement 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 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, except such indemnification shall not extend to any other statements in the Official Statement and (ii) to the extent of the aggregate amount paid in any settlement of any litigation commenced or threatened 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 Pulte (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 Pulte, notify Pulte in writing of the commencement thereof. Failure of the Indemnified Party to give such notice shall reduce the liability of Pulte by the amount of damages attributable to the failure of the Indemnified Party to give such notice to Pulte, but the omission to notify Pulte of any such action shall not relieve Pulte 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 Pulte of the commencement thereof, Pulte may, or, if so requested by such Indemnified Party, shall, participate therein or assume the defenses thereof, with counsel satisfactory to such Indemnified Party and Pulte (it being understood that, except as hereinafter provided, Pulte shall not be liable for the expenses of more than one counsel representing the Indemnified Parties in such action), and after notice from Pulte to such Indemnified Party of an election so to assume the defenses thereof, Pulte shall 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 Pulte assumes the defense of any such action at the request of such Indemnified Party, Pulte shall have the right to participate at its own expense in the defense of any such action. If Pulte 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 Pulte (in which case Pulte 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 Pulte.

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

4. This letter is solely for the benefit of the Underwriter, the District, the Financial Advisor and their 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 Underwriter of the Bonds.

5. Pulte shall pay all costs with respect to the issuance and delivery of the Bonds.

6. Pulte consents to the references to Pulte in the Official Statement.

7. The letter shall be governed by, and construed in accordance with, the laws of the State of Arizona.

Respectfully submitted,

PULTE HOME CORPORATION, a Michigan corporation

By.....
Printed Name:.....
Title:.....

PULTE INDEMNITY LETTER
FOR
$5,410,000.00
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS,
SERIES 2016

June 23, 2016

Stifel, Nicolaus & Company, Incorporated
Suite 750
2325 East Camelback Road
Phoenix, Arizona 85016

District Board
Festival Ranch Community Facilities District
c/o City of Buckeye, Arizona
530 East Monroe Avenue
Buckeye, Arizona 85326

Re: Festival Ranch Community Facilities District (City of Buckeye, Arizona) General Obligation Bonds, Series 2016

Gentlemen:

This Indemnity Letter is delivered by Pulte Home Corporation, a corporation incorporated and existing pursuant to the laws of the State of Michigan (hereinafter referred to as "Pulte"), in order to induce Stifel, Nicolaus & Company, Incorporated (hereinafter referred to as the "Underwriter"), and Festival Ranch Community Facilities District, a community facilities district organized and existing pursuant to the laws of the State of Arizona (the "District"), to enter into the Purchase Contract, dated even date herewith (hereinafter referred to as the "Purchase Contract") related to the purchase by the Underwriter and sale by the District of the captioned Bonds (hereinafter referred to as the "Bonds"). Terms which are defined in the Purchase Contract have the meanings ascribed to them therein when used herein.

1. In consideration of the execution and delivery of the Purchase Contract, Pulte represents and warrants to the Underwriter and the District that:

(a) Pulte 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 information in the Official Statement with respect to the Bonds under the headings "LAND DEVELOPMENT," "THE PUBLIC INFRASTRUCTURE," "PUBLIC INFRASTRUCTURE FINANCED BY THE BONDS," "PULTE" and "RISK FACTORS" (but not the other information, opinions, assumptions or projections contained therein) is true and correct in all material respects for the purposes for which its use is or was

authorized, and such information does not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein in light of the circumstances under which they are or were made, not misleading.

(c) Neither the execution or delivery of this Indemnity Letter (hereinafter referred to as the "Pulte Document") nor the consummation of any other of the transactions herein contemplated, nor the fulfillment of, or compliance with, the terms hereof, shall contravene the organizational documents of Pulte or conflict with or result in a breach by Pulte of any of the terms, conditions or provisions of, or constitute a default by Pulte under, any bond, debenture, note, mortgage, indenture, agreement or other instrument to which Pulte is a party or by which it is or may be bound or to which any of the property or assets of Pulte is or may be subject, or any law or any order, rule or regulation applicable to Pulte of any court, federal or state regulatory body, administrative agency or other governmental body having jurisdiction over Pulte or any of the properties or operations of Pulte, or (except as contemplated by the Pulte Document) will result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of Pulte under the terms of any such restriction, bond, debenture, note, mortgage, indenture, agreement, instrument, law, order, rule or regulation.

(d) 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 Pulte, threatened against Pulte wherein an adverse decision, ruling or finding would (i) result in any material adverse change in the condition (financial or otherwise), results of operations, business or prospects of Pulte, or which would materially and adversely affect the properties (taken as a whole) of Pulte, and which has not been disclosed in the Official Statement, (ii) materially adversely affect the transactions contemplated by the Purchase Contract or the Pulte Document or (iii) adversely affect the validity or enforceability of the Pulte Document.

(e) Pulte has the full power and authority to execute and deliver the Pulte Document and perform its obligations hereunder and engage in the transactions contemplated by the Purchase Contract and the Pulte Document, and the Pulte Document has been duly authorized by Pulte and, when executed and delivered by the respective parties thereto, will constitute a valid, binding and enforceable obligation of Pulte except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights and except as the indemnification provisions hereof may be limited by applicable securities laws or public policy.

(f) 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 Pulte of the transactions contemplated by the Purchase Contract and the Pulte Document.

2. Pulte shall indemnify and hold harmless the Underwriter, the District, the Financial Advisor and, as applicable each director, trustee, partner, member, officer, official, legal counsel, independent contractor or employee thereof and each person, if any, who controls the Underwriter, the District or the Financial Advisor within the meaning of the Securities Act of 1933, as amended (any such person being herein sometimes called an "Indemnified Party"), for, from and against any and all losses, claims, damages or liabilities, joint or several, (i) to which an 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 sections identified in Section 1(b) above in the Official Statement 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 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, except such indemnification shall not extend to any other statements in the Official Statement and (ii) to the extent of the aggregate amount paid in any settlement of any litigation commenced or threatened 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 Pulte (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 Pulte, notify Pulte in writing of the commencement thereof. Failure of the Indemnified Party to give such notice shall reduce the liability of Pulte by the amount of damages attributable to the failure of the Indemnified Party to give such notice to Pulte, but the omission to notify Pulte of any such action shall not relieve Pulte 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 Pulte of the commencement thereof, Pulte may, or, if so requested by such Indemnified Party, shall, participate therein or assume the defenses thereof, with counsel satisfactory to such Indemnified Party and Pulte (it being understood that, except as hereinafter provided, Pulte shall not be liable for the expenses of more than one counsel representing the Indemnified Parties in such action), and after notice from Pulte to such Indemnified Party of an election so to assume the defenses thereof, Pulte shall 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 Pulte assumes the defense of any such action at the request of such Indemnified Party, Pulte shall have the right to participate at its own expense in the defense of any such action. If Pulte 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 Pulte (in which case Pulte 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 Pulte.

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

4. This letter is solely for the benefit of the Underwriter, the District, the Financial Advisor and their 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 Underwriter of the Bonds.

5. Pulte shall pay all costs with respect to the issuance and delivery of the Bonds.

6. Pulte consents to the references to Pulte in the Official Statement.

7. The letter shall be governed by, and construed in accordance with, the laws of the State of Arizona.

Respectfully submitted,

PULTE HOME CORPORATION,
a Michigan corporation

By: _____
Name: Bruce Robinson
Title: Vice President and Treasurer

CONTINUING DISCLOSURE UNDERTAKING

$5,410,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2016

(CUSIP BASE NUMBER 315598)

This Undertaking is executed and delivered by Festival Ranch Community Facilities District (hereinafter referred to as the "Issuer"), in connection with the issuance of the captioned municipal securities (hereinafter referred to as the "Securities") for the benefit of the owners of the Securities, being the registered owners thereof or any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any of the Securities (including persons holding the Securities through nominees, depositories or other intermediaries) or is treated as the owner of any Securities for federal income tax purposes.

Section 1. Definitions.

"Annual Report" shall mean any annual report provided by the Issuer pursuant to, and as described in, Section 2.

"Authorizing Document" shall mean the resolution authorizing the issuance of the Securities.

"Dissemination Agent" shall mean any agent which has executed a dissemination agent agreement with the Issuer and such successors and assigns of such agent.

"EMMA" shall mean the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board. Information regarding submissions to EMMA is available at http://emma.msrb.org.

"Listed Events" shall mean any of the events listed in Section 3(a).

"Notice of Listed Event" shall mean any notice provided by the Issuer pursuant to, and as described in, Section 3.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Contents and Provision of Annual Reports.

(a) (i) ***THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, NOT LATER THAN FEBRUARY 1 OF EACH YEAR, COMMENCING FEBRUARY 1, 2017, PROVIDE THROUGH EMMA AN ANNUAL REPORT WHICH IS CONSISTENT WITH THE REQUIREMENTS OF SUBSECTION (b) OF THIS SECTION.***

(ii) ***IF THE ISSUER IS UNABLE OR FOR ANY OTHER REASON FAILS TO PROVIDE AN ANNUAL REPORT OR ANY PART THEREOF BY THE DATE REQUIRED IN SUBSECTION (a)(i) OF THIS SECTION, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, SEND A NOTICE TO THAT EFFECT NOT LATER THAN SUCH DATE THROUGH EMMA ALONG WITH THE OTHER PARTS, IF ANY, OF THE ANNUAL REPORT.***

(b) (i) The Annual Reports shall contain or incorporate by reference the following:

(A) Information of the type in TABLES 2, 3A, 4A, and 6 of the Official Statement, dated June 23, 2016, with respect to the Securities as well as with respect to tax collections and delinquencies in the preceding tax year of the Issuer.

(B) Audited financial statements for the preceding fiscal year, if any, such statements to be prepared on the basis of generally accepted accounting principles as applied to governmental units. (The Issuer does not currently obtain audited financial statements.) ***IF THE FISCAL YEAR OF THE ISSUER CHANGES, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, FILE A NOTICE OF SUCH CHANGE IN THE SAME MANNER AS FOR A NOTICE OF LISTED EVENT.***

(ii) The Annual Report may be submitted as a single document or as separate documents comprising a package and may incorporate by reference from other documents other information, including final official statements of debt issues of the Issuer or related public entities which have been submitted to the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so incorporated by reference.

(iii) ***If audited financial statements are to be included in an Annual Report but are not available in time to satisfy the requirements of Subsection (a)(i) of this Section, unaudited financial statements must be provided at the requisite time as part of the Annual Report and as soon as possible (but not later than 30 days) after such audited financial statements become available, the audited financial statements shall be provided through EMMA.***

Section 3. Reporting of Listed Events.

(a) This Section shall govern the giving of notices of the occurrence of any of the following events (the "Listed Events") with respect to the Securities:

1. Principal and interest payment delinquencies,

2. Nonpayment related defaults under the Authorizing Document, if material,

3. Unscheduled draws on debt service reserves reflecting financial difficulties,

4. Unscheduled draws on credit enhancements reflecting financial difficulties,

5. Substitution of the credit or liquidity providers or their failure to perform,

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations, in each case, with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities,

7. Modifications to rights of holders of the Securities, if material,

8. Bond calls, if material, or tender offers,

9. Defeasances,

10. Release, substitution or sale of property securing repayment of the Securities, if material,

11. Rating changes,

12. Bankruptcy, insolvency, receivership or similar events of the Issuer, being if any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer,

13. The consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material,

14. Appointment of a successor trustee or an additional trustee or the change of the name of the trustee, if material, and

15. Notice of a failure of the Issuer to provide required annual financial information on or before the date specified in Section 2 above, including any non-appropriation to cover applicable costs.

(b) Whether events subject to the standard "material" would be material shall be determined under applicable federal securities laws.

(c) Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Authorizing Document.

(d) ***THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, PROMPTLY, BUT NOT MORE THAN TEN (10) BUSINESS DAYS THEREAFTER, FILE A NOTICE OF LISTED EVENT OF SUCH OCCURRENCE THROUGH EMMA.***

Section 4. Termination of Reporting Obligation. The obligations of the Issuer pursuant to this Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Securities. ***THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, GIVE NOTICE OF SUCH TERMINATION THROUGH EMMA AS SOON AS PRACTICABLE, BUT NOT LATER THAN THE DATE AN ANNUAL REPORT WOULD OTHERWISE HAVE BEEN DUE.***

Section 5. Amendment or Waiver.

(a) Notwithstanding any other provision of this Undertaking, the Issuer may amend this Undertaking, and any provision of this Undertaking may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Issuer or type of business conducted; (ii) this Undertaking, as amended or affected by such waiver, would have complied with the requirements of the Rule at the time of the primary offering of the Securities, after taking into account any amendments

or interpretations of the Rule, as well as any change in circumstances and (iii) such amendment or waiver does not materially impair the interests of the owners of the Securities, as determined either by parties (such as the bond counsel) unaffiliated with the Issuer or by an approving vote of the registered owners of the Securities pursuant to the terms of the Authorizing Document at the time of the amendments.

(b) The Annual Report containing amended operating data or financial information resulting from such amendment or waiver, if any, shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided. If an amendment or waiver is made specifying the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. To the extent reasonably feasible, such comparison also shall be quantitative. ***IF THE ACCOUNTING PRINCIPLES OF THE ISSUER CHANGE, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, FILE A NOTICE OF SUCH CHANGE IN THE SAME MANNER AS FOR A NOTICE OF LISTED EVENT.***

Section 6. Additional Information. Nothing in this Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Report or Notice of Listed Event, in addition to that which is required by this Undertaking. If the Issuer chooses to include any information in any Annual Report or Notice of Listed Event in addition to that which is specifically required by this Undertaking, the Issuer shall have no obligation under this Undertaking to update such information or include it in any future Annual Report or Notice of Listed Event.

Section 7. Default. In the event of a failure of the Issuer to comply with any provision of this Undertaking, any owner of a Security for the benefit of which this Undertaking is being provided may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Undertaking. A default under this Undertaking shall not be deemed an event of default for other purposes of the Authorizing Document, and the sole remedy under this Undertaking in the event of any failure of the Issuer to comply with this Undertaking shall be an action to compel performance.

Section 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist the Issuer in satisfying the obligations of the Issuer hereunder and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 9. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Undertaking and the applicable, related agency agreement, and, to the extent permitted by applicable law, the Issuer shall indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless for, from and against any loss, expense and liabilities which the Dissemination Agent may incur arising out of or in the exercise or performance of the powers and duties of the Dissemination Agent pursuant to this Undertaking and the applicable, related agency agreement, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the gross negligence or willful misconduct of the Dissemination Agent. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Securities.

Dated: July 13, 2016

FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT

By.....
Jackie A. Meck, Chairperson,
District Board

FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT

and

DAVID TAUSSIG & ASSOCIATES, INC.

DISSEMINATION AGENCY AGREEMENT

Dated as of July 1, 2016

$5,410,000
Festival Ranch Community Facilities District
(City of Buckeye, Arizona)
General Obligation Bonds, Series 2016

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THIS DISSEMINATION AGENCY AGREEMENT, dated as of July 1, 2016 (hereinafter referred to as this "*Agreement*"), by and between Festival Ranch Community Facilities District, a community facilities district duly organized and validly existing pursuant to the laws of the State of Arizona (hereinafter together with its successors referred to as the "*Issuer*"), and David Taussig & Associates, Inc., a corporation duly incorporated and validly existing pursuant to the laws of the State of California (hereinafter together with its successors referred to as the "*Agent*");

W I T N E S S E T H:

WHEREAS, pursuant to a Resolution of the district board of the Issuer (hereinafter referred to as the "*Board*") adopted on May 17, 2016, the Board has authorized the issuance of certain general obligation bonds (hereinafter referred to as the "*Securities*") to provide funds for certain public infrastructure purposes provided for in Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended (hereinafter referred to as the "*Enabling Act*"); and

WHEREAS, in order to provide terms for providing for compliance with Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended, with respect to the Securities, the Board has duly authorized the execution and delivery of a Continuing Disclosure Undertaking, dated the date of initial delivery of the Securities (hereinafter referred to as the "*Undertaking*"); and

WHEREAS, in order to assist the Issuer in complying with the Undertaking, the Board has determined to enter into this Agreement; and

WHEREAS, pursuant to the Enabling Act, the Issuer may enter into agreements to process the issuance of the Securities, including this Agreement;

NOW, THEREFORE, in the joint and mutual exercise of their powers, and in consideration of the above premises and of the mutual covenants herein contained and for other valuable consideration, the parties hereto recite and agree that:

ARTICLE ONE

SECTION 1.01. *Definitions.*

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

A. The terms in this Agreement have the meanings assigned to them hereinabove and in the Section 1 of the Undertaking and include the plural as well as the singular.

B. All references in this instrument to designated "Articles," "Sections," "Clauses" and other subdivisions are to the designated Articles, Sections, Clauses 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 Agreement as a whole and not to any particular Article, Section, or other subdivision.

SECTION 1.02. *Notices, etc.*

A. Unless otherwise specifically provided herein, any request, demand, authorization, direction, notice, consent, waiver, payment or other document provided or permitted by this Agreement by the Issuer or the Agent to be made upon, given or furnished to or filed with,

1. 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 c/o City of Buckeye, Arizona, 530 East Monroe Avenue, Buckeye, Arizona 85326, Attention: District Clerk or at any other address furnished previously in writing to such person by the Issuer, and

2. the Agent shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid to it at Suite 6000, 5000 Birch Street, Newport Beach, California 92660, Attention: Andrea R. Roess, Managing Director, or at any other address furnished previously in writing to such person by the Agent.

B. Where this Agreement 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.

SECTION 1.03. *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 1.04. *Successors and Assigns.*

All covenants and agreements in this Agreement by the Issuer and the Agent shall bind their successors and assigns, whether so expressed or not.

SECTION 1.05. *Severability Clause.*

In case any provision in this Agreement 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 1.06. *Benefits of Agreement.*

Nothing in this Agreement, express or implied, shall give to any person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Agreement.

SECTION 1.07. *Governing Law.*

This Agreement shall be construed in accordance with and governed by the laws of the State of Arizona and the federal laws of the United States of America.

SECTION 1.08. *Incorporation of State Statutes.*

A. Pursuant to Section 38-511, Arizona Revised Statutes, as amended, the Issuer may, within three (3) years after its execution, cancel this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Issuer is, at any time while this Agreement is in effect, an employee or agent of the Agent in any capacity or a consultant to any other party of this Agreement with respect to the subject matter of this Agreement and may recoup any fee or commission paid or due any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Issuer from the Agent arising as the result of this Agreement. The Agent has not taken and shall not take any action which would cause any person described in the preceding sentence to be or become an employee or agent of the Agent in any capacity or a consultant to any party to this Agreement with respect to the subject matter of this Agreement.

B. To the extent applicable under Section 41-4401, Arizona Revised Statutes, as amended, the Agent shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the "e-verify" requirements under Section 23-214(A), Arizona Revised Statutes, as amended. The breach by the Agent of the foregoing shall be deemed a material breach of this Lease Agreement and may result in the termination of the services of the Agent. The Issuer retains the legal right to randomly inspect the papers and records of the Agent to ensure that the Agent is complying with the above-mentioned warranty. The Agent shall keep such papers and records open for random inspection during normal business hours by the Issuer. The Agent shall cooperate with the random inspections by the Issuer including granting the Issuer entry rights onto its

property to perform such random inspections and waiving its respective rights to keep such papers and records confidential.

SECTION 1.09. *Further Assurances; Recording.*

The Agent shall do, execute, acknowledge and deliver all and every such further acts, conveyances and assurances as shall be reasonably required for accomplishing the purposes of this Agreement.

SECTION 1.10. *Amendments.*

This Agreement may be amended by an instrument in writing executed and delivered by each of the Agent and the Issuer.

SECTION 1.11. *Termination.*

The Issuer or the Agent may terminate this Agreement by giving written notice to the other party at least thirty (30) days prior to such termination. Otherwise, this Agreement shall terminate coincident with the termination of the Undertaking. The Issuer is not required to appoint a successor to the Agent. The absence of the Agent or a successor to the Agent shall not relieve the Issuer of the responsibilities of the Issuer pursuant to the Undertaking.

SECTION 1.12. *Integration.*

This Agreement, when executed and delivered by the parties hereto, shall constitute the entire agreement between the Issuer and the Agent with regard to the matters provided for herein.

* * *

ARTICLE TWO

SECTION 2.01. *Annual Reports.*

The Agent shall compile and deliver each Annual Report to the Issuer by December 1 of each year for review by the Issuer, and the Issuer shall thereafter deliver to the Agent any revisions to each Annual Report by the next succeeding January 15 for dissemination as set forth in Section 2.03.

SECTION 2.02. *Listed Events.*

A. The Issuer shall provide a written description to the Agent of the occurrence of any Listed Event which the Issuer has determined to be material as described in Section 3(b) of the Undertaking in a timely manner, signed by an appropriate representative of the Issuer. Upon the Agent becoming aware of any such Listed Event, the Agent shall promptly notify the Issuer of such Listed Event. (The Agent shall have no duty or responsibility to review the determination

of the Issuer that such Listed Event is material or the written description of such Listed Event.)

B. The Agent shall disseminate Notices of Listed Events as set forth in Section 2.04.

SECTION 2.03. *Dissemination of Annual Reports.*

A. The Agent shall disseminate each Annual Report to the entities, in the manner and on the dates provided in Section 2 of the Undertaking.

B. The Agent shall disseminate such information in the form delivered to the Agent by the Issuer pursuant to Section 2.01. (Any information furnished by the Agent hereunder for such purpose may contain a legend to such effect.)

C. The Agent shall promptly provide a copy of each Annual Report to the Issuer, along with a notice stating the date such Annual Report was filed and the identities of the entities with which such Annual Report was filed.

D. The Agent shall also, if necessary, file the notices required pursuant to Sections 2(a)(ii) and 2(b)(i)(B) of the Undertaking with respect to inability or failure to provide an Annual Report and change of fiscal year of the Issuer, respectively, and shall provide a copy thereof to the Issuer.

SECTION 2.04. *Dissemination of Notices of Listed Events.*

A. The Agent shall disseminate each Notice of Listed Event to the entities and in the manner provided in Section 3 of the Undertaking within one (1) business day after receipt of such information by the Agent pursuant to Section 2.02.

B. The Agent shall disseminate such information in the form delivered to it by the Issuer pursuant to Section 2.02. (Any information furnished by the Agent hereunder for such purpose may contain a legend to such effect.)

C. The Agent shall promptly provide a copy of each Notice of Listed Event to the Issuer, along with a notice stating the date and the identities of the entities with which such Notice of Listed Event was filed.

SECTION 2.05. *Dissemination of Other Notices.*

The Agent shall file the notices required pursuant to Section 4(a) and 5(b) of the Undertaking with respect to termination of the Undertaking and changes in accounting principles of the Issuer, respectively, and shall provide a copy thereof to the Issuer.

SECTION 2.06. *Duty to Update.*

One (1) business day prior to the date the Issuer is required to file information with the Municipal Securities Rulemaking Board, the Agent shall determine, in the manner the Agent deems appropriate, the manner and medium by which information is to be transmitted and filed with the Municipal Securities Rulemaking Board.

SECTION 2.07. *Consequences of Default by Agent; Standard of Care.*

A. In the event of a failure of the Agent to comply with any provisions of this Agreement, the Issuer may take any action at law or in equity to enforce the obligations of the Agent hereunder.

B. In the absence of bad faith on its part, the Agent 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 Agent or matters of public record.

C. The Agent shall have only such duties as are specifically set forth in this Agreement and the Undertaking.

D. To the extent permitted by applicable law, the Issuer shall indemnify and save the Agent, its officers, directors, employees and agents, harmless for, from and against any loss, expense and liabilities which the Agent may incur arising out of or in the exercise or performance of the powers and duties of the Agent pursuant to this Agreement and the Undertaking, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the negligence or willful misconduct of the Agent. The obligations of the Issuer under this Section shall survive resignation or removal of the Agent and payment of the Securities.

SECTION 2.08. *Additional Information.*

Nothing in this Agreement shall be deemed to prevent the Issuer from delivering any other information to the Agent, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or Notice of Listed Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any such information, the Issuer shall have no obligation pursuant to this Agreement to update such information or include it in any future disclosure or notice.

SECTION 2.09. *Compensation.*

The Issuer shall compensate the Agent for the services provided and the expenses incurred pursuant to this Agreement in an amount to be agreed upon from time to time.

SECTION 2.10. *Recordkeeping.*

The Agent shall maintain records of the Annual Reports and the Notices of Listed Events including the names of the entities with which the same were filed and the date of filing, and copies thereof shall be available to the Issuer upon reasonable request and the payment of reasonable copying and delivery charges.

* * *

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.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement 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

By.....
Jackie A. Meck, Chairperson,
District Board

ATTEST:

.....
District Clerk

DAVID TAUSSIG & ASSOCIATES, INC., a California corporation

By.....

Printed Name: .....

Title:.....

331657994.3-6/30/2016

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.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement 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

By.....
Jackie A. Meck, Chairperson,
District Board

ATTEST:

.....
District Clerk

DAVID TAUSSIG & ASSOCIATES, INC., a California corporation

By.. Andrea Roess
Printed Name: Andrea Roess
Title Managing Director

331657994.3-6/30/2016

$5,410,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS,
SERIES 2016
(BANK QUALIFIED)

COUNTY ASSESSOR'S CERTIFICATE

I, the undersigned, hereby certify that the estimated full cash value for tax purposes of all property within the Festival Ranch Community Facilities District (City of Buckeye, Arizona), as shown by the last assessment role for State and County taxes established on the third Monday in August, 2015 thereof, is $510,365,897*.

DATED: July 13, 2016.

MARICOPA COUNTY ASSESSOR

T. Brusch, Chief Deputy

* The number certified above is the estimated full cash value and is not used in the property tax calculation.

$5,410,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS,
SERIES 2016
(BANK QUALIFIED)

CLOSING CERTIFICATE OF THE DISTRICT

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

A. To partially finance the projects listed on *Exhibit A* hereto, we have executed $5,410,000 aggregate original principal amount of Festival Ranch Community Facilities District (City of Buckeye, Arizona) General Obligation Bonds, Series 2016 (the "*Bonds*"); and we are the duly elected, qualified and acting officers indicated therein and authorized to execute the typewritten Bonds. We further certify that we have executed the Bonds by having our signatures affixed to the Bonds by mechanical reproduction and we hereby adopt as and for our respective signatures the respective signatures shown on the Bonds. The Bonds are dated July 13, 2016, and are in the denomination of $5,000 of principal each or any integral multiples in excess thereof. The Bonds mature on July 15 in the years and bear interest at the rates set forth on the attached *Exhibit B*.

The Bonds are subject to call for redemption prior to maturity in accordance with the terms set forth in the attached *Exhibit B*.

Interest is payable on January 15 and July 15 of each year during the term of each of the Bonds, commencing on January 15, 2017.

B. To the best of our knowledge, information and belief:

(i) (a) On May 17, 2016, the Board of Directors of the District (the "*District Board*") duly adopted Resolution No. 04-16 (the "*Resolution*") at a duly called meeting (the "*Meeting*") of the District 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) The Resolution duly authorized the issuance and sale of the Bonds and execution and delivery of the Purchase Contract for the Bonds, dated June 23, 2016 (the "*Purchase Contract*"), by and between the District and Stifel, Nicolaus & Company, Incorporated (the "*Underwriter*"), the Bond Registrar, Transfer Agent and Paying Agent Contract, dated as of July 1, 2016 (the "*Registrar Contract*"), by and between the District and Zions Bank, a Division of ZB, National Association, the Dissemination Agency Agreement, dated as of July 1, 2016 (the "*Dissemination Agency Agreement*"), by and between the District and David Taussig & Associates,

Inc., the Supplemental Agreement, dated as of July 1, 2016 (the "*Insurance Agreement*"), by and between the District and Build America Mutual Assurance Company, and the Continuing Disclosure Undertaking, dated July 13, 2016 (the "*Continuing Disclosure Undertaking*"), executed by the District (collectively, the Purchase Contract, the Registrar Contract, the Dissemination Agency Agreement, the Insurance Agreement and the Continuing Disclosure Undertaking are hereafter referred to as the "*District Documents*").

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

(d) 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 Purchase Contract 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) Except as described in the Official Statement, dated June 23, 2016 relating to the Bonds (the "*Official Statement*"), 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 District of the provisions of the District Documents or the levy and receipt of ad valorem taxes 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 District.

(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.

(v) The District 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 of the payment for and initial delivery of the Bonds.

(vi) Based on the Maricopa County, Arizona, Assessor's Certificate included in the transcript of proceedings for the Bonds, the total aggregate outstanding amount of bonds and any other indebtedness for which the full faith and credit of the District are pledged does not exceed sixty percent (60%) of the aggregate of the estimated market value of the real property and improvements in the District after the public infrastructure of the District has been completed.

(vii) The Official Statement was, as of its date and is, as of the date hereof, true, correct and complete in all material respects and did not, as of its date, and does not, as of the date hereof, include any untrue statement of a material fact or omit to state any material fact necessary to make such statements, in light of the circumstances under which such statements were made, not misleading, and no event has occurred since the date of the Official Statement which should be disclosed in the Official Statement which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; provided that, as to the information provided by Pulte Home Corporation ("*Pulte*") relating to Pulte and Pulte's project, The Depository Trust Company and the book-entry system, and Build America Mutual Assurance

Company and its municipal bond insurance policy, the District relies solely on the information so provided.

(viii) The District has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "*Code*"). The aggregate amount of qualified tax-exempt obligations (as defined in Section 265(b)(3)(B) of the Code) to be issued for or by the District will not exceed $10,000,000 in calendar year 2016.

[Signature Page to Follow]

DATED: July 13, 2016.

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

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

DSC:dlh 2718530.2 7/1/2016

EXHIBIT A

LIST OF PROJECTS TO BE PARTIALLY FINANCED WITH BOND PROCEEDS

"Project" shall mean the acquisition of public infrastructure (as such term is defined in the Arizona Revised Statutes Title 48, Chapter 4, Article 6) described in the Feasibility Report, including particularly the acquisition by the District of the following:

Description	Total Estimated Costs	Certified Engineer's Costs	Paid by Prior Bonds	To be paid by Series 2016 Bonds	Eligible for Funding from Future Bonds
1. Festival Ranch Wastewater Infrastructure Trunk Sewer Lines - installation of approx. 11,121 linear feet of sewer lines including engineering, survey, permits and fees, and other labor, tools, and equipment	$3,220,619	$3,220,619	$3,220,619	$0	$0
2. Sun City Festival Phase I Roadways and Landscaping (Canyon Springs, Desert Oasis, Mountain Ridge & Sun Valley Parkway) - installation of approx. 4,874 linear feet of Arterial Roadway and ROW Landscaping and 5,942 of Collector Roadway and ROW Landscaping including concrete, paving, storm drainage, landscaping, engineering, survey, permits and fees, and other labor, tools, and equipment	$7,416,732	$7,416,732	$7,416,732	$0	$0
3. Sun City Festival Phase I Infrastructure Water (Parcel A1, B1, C1 & V1) - installation of approx. 25,600 linear feet of water lines including engineering, survey, permits and fees, and other labor, tools, and equipment	$1,841,756	$1,841,756	$1,841,756	$0	$0
4. Festival Ranch Water Reclamation Facility - installation of a 1 MG Water Reclamation Facility including engineering, survey, permits and fees, and other labor, tools, and equipment	$8,966,703	$8,966,703	$0	$0	$8,966,703

Description	Total Estimated Costs	Certified Engineer's Costs	Paid by Prior Bonds	To be paid by Series 2016 Bonds	Eligible for Funding from Future Bonds
5. Sun City Festival Phase I Offsite Sewer (Alignment through Parcels D1, E1, S1 & T1) - installation of approximately 8,663 linear feet of sewer lines including engineering, survey, permits and fees, and other labor, tools, and equipment	$997,203	$997,203	$0	$0	$997,203
6. Sun City Festival Water Plant #1, Well #1, Well #2 - Installation of 1.2 MG storage tank and booster pumps at Water Plant #1, and the drilling and equipping of Well #1 and Well #2 producing 6,150 GPM, including the eligible costs for engineering, survey, permit fees, and other required labor, tools, and equipment	$6,754,018	$6,754,018	$4,161,890	$2,592,128	$0
7. Festival Foothills Phase I Water Infrastructure Desert Vista Boulevard and Beardsley Parkway (East of CSB) - installation of approximately 5,400 linear feet of water lines including engineering, survey, permits and fees, and other labor, tools, and equipment	$418,657	$418,657	$0	$418,657	$0
8. Festival Foothills Phase I Roadways Desert Vista Blvd & Beardsley Parkway (East of the CSB) - installation of approximately 1,340 linear feet of Arterial Roadway and 4,050 linear feet of Collector Roadway including grading, concrete, paving, storm drainage, engineering, survey, permits and fees, and other labor, tools, and equipment; AND **Festival Foothills Phase I Roadway Landscaping Desert Vista Boulevard and Beardsley Parkway (Ease of CSB)-** installation of approximately 1,340 linear feet of arterial rights of way landscaping and 4,050 linear feet of collector rights of way landscaping including landscape architecture, survey, permits and fees, and other labor, tools, and equipment	$2,383,180	$2,383,180	$0	$2,383,180	$0

Description	Total Estimated Costs	Certified Engineer's Costs	Paid by Prior Bonds	To be paid by Series 2016 Bonds	Eligible for Funding from Future Bonds
9. Sun City Festival Phase II Infrastructure Water, Sewer (Phase 1), Storm Drain and reclaimed Waterline Phase I- installation of approximately 7,782 linear feet of waterlines, 1,596 linear feet of sewer, 15,892 linear feet of reclaimed waterline and 1,361 linear feet of storm drain for Mountain Ridge Boulevard, Desert Oasis Boulevard and Canyon Spring Boulevard including engineering, survey, permits and fees, and other labor, tools, and equipment	$2,325,837	$2,325,837	$0	$161,035	$2,164,802
10. Sun City Festival Phase II Concrete and Paving Infrastructure to serve Desert Oasis Boulevard and Mountain Ridge Boulevard to serve Parcels D 1-H 1 - Installation of approximately 3,640 linear feet of arterial roadway and 2,100 of collector roadway including paving, engineering, survey, permits and fees, and other labor, tools, and equipment	$2,537,569	$2,537,569	$0	$0	$2,357,569
	$36,862,274	$36,862,274	$16,640,997	$5,555,000	$14,666,277

EXHIBIT B

Maturity Schedule

Maturity (July 15)	Principal Amount	Interest Rate	Yield
2017	$ 70,000	2.00%	1.05%
2018	75,000	2.00	1.19
2019	80,000	3.00	1.38
2020	85,000	3.00	1.53
2021	90,000	4.00	1.71
2022	95,000	4.00	1.86
2023	100,000	4.00	2.01
2024	100,000	4.00	2.11
2025	105,000	4.00	2.21
2026	110,000	4.00	2.31
2031	625,000	4.00	2.66*
2036	3,875,000	4.00	2.89*

*Priced to July 15, 2026, the first optional redemption date

Optional Redemption. The Bonds are subject to redemption prior to maturity, at the option of the District, on or after July 15, 2031, in whole or in part on any date, at the redemption price of the principal amount of the Bonds or portion thereof being redeemed plus interest accrued to the date of redemption, but without premium.

Mandatory Redemption. The Bonds maturing on July 15 of the following years will be redeemed on July 15 of the following years and in the following principal amounts at a price equal to the principal amount thereof plus interest accrued to the date of redemption, but without premium:

Year Redeemed	Principal Amount Redeemed
Term Bond Maturing 2031	
2027	$ 115,000
2028	120,000
2029	125,000
2030	130,000
2031 (maturity)	135,000
Term Bond Maturing 2036	
2032	$ 145,000
2033	205,000
2034	750,000
2035	1,360,000
2036 (maturity)	1,415,000

$5,410,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS,
SERIES 2016
(BANK QUALIFIED)

TAX CERTIFICATE OF THE DISTRICT

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

This Certificate is executed for the purpose of establishing certain facts existing as of the date hereof and the reasonable expectations of the District as to future events regarding the $5,410,000 principal amount of the District's General Obligation Bonds, Series 2016 (the "*Bonds*"), dated July 13, 2016. The Bonds mature on the dates and in the amounts and bear interest as shown on *Exhibit D* attached hereto.

The Bonds are authorized and issued pursuant to Resolution No. 04-16 adopted by the Board on May 17, 2016 and are being sold pursuant to a Purchase Contract dated June 23, 2016 (the "*Purchase Contract*") by and between the District and Stifel, Nicolaus & Company, Incorporated (the "*Underwriter*") and an Official Statement dated June 23, 2016.

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**. In making the representations herein, the District relies on (i) the pricing information provided by the Underwriter as set forth in the Purchase Contract; (ii) the representations and certifications of the Underwriter as set forth in its Certificate of Underwriter Regarding Initial Offering Prices and Credit Enhancement and its Receipt for Bonds and Documents (collectively, the "*Underwriter's Certificate*"); (iii) the

representations and certifications of FirstSouthwest, a Division of Hilltop Securities Inc. (the "*Financial Advisor*") as set forth in the Certificate of Financial Advisor as to Yield on the Bonds; and (iv) the representations and certifications of officers and counsel of Build America Mutual Assurance Company (the "*Bond Insurer*") as set forth in certain opinions and certificates thereof. The District is not aware of any facts or circumstances that would cause it to question the accuracy or reasonableness of the representations and certifications of the Underwriter, the Financial Advisor and the Bond Insurer.

Section 1.3. **Purpose of the Bonds**. The Bonds are being issued to provide funds for the acquisition of the projects set forth in the District's Closing Certificate dated July 13, 2016 (the "*Project*").

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 underwriters of municipal bonds.

Section 1.5 **Bond Insurance**. The term "*Bond Insurance*" as used in this certificate and its attachments means the policy of municipal bond insurance issued by the Bond Insurer.

Section 1.6. **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 *Exhibit A* shall have the same meanings as defined in Sections 103 and 141 through 150 of the Code and the Treasury Regulations promulgated thereunder.

Section 1.7. **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 in *Exhibit D*. The Bonds are dated July 13, 2016, and are in the denomination of $5,000 of principal each or $5,000 integral multiples in excess thereof. Interest on the Bonds shall be payable semiannually on January 15 and July 15 of each year during the term of the Bonds, commencing on January 15, 2017.

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

Section 2.5. **Single Issue**. No 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 and Pre-Issuance Accrued Interest; Temporary Periods**. As shown on *Exhibit B*, attached hereto, the following funds and accounts will be funded at Closing: Acquisition Fund. A breakdown of the uses of such funds and the relevant Temporary Period, if applicable, is provided below:

(i) Underwriter's Discount. An amount of $98,480.00 will be contributed by Pulte Home Corporation ("*Pulte*") to be deposited in the Acquisition Fund and paid to the Underwriter as Underwriter's discount.

(ii) Issuance Costs. An amount of $138,900.00 will be contributed by Pulte to be deposited in the Acquisition Fund and used to pay Issuance Costs of the Bonds.

(iii) Bond Insurance Premium. An amount of $53,282.26 of the proceeds of the Bonds representing premium will not be invested but will be expended on the date hereof and treated as paid to the Bond Insurer as the premium for the Bond Insurance covering the Bonds.

(iv) Project Costs.

(a) An amount of $5,891,681.09 will be deposited in the Acquisition Fund and used by the District to acquire certain 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 District reasonably expects to satisfy the Expenditure Test, Time Test and Due Diligence Test as described above; therefore, the Net Sale Proceeds allocable to the Bonds deposited in the Acquisition Fund may be invested in Higher Yielding Investments. If any such amounts are held beyond July 13, 2019, the District shall make yield reduction payments as are necessary for the yield on such investments to not be materially higher than the yield on the Bonds.

Section 3.2. Bona Fide Debt Service Fund; Temporary Period.

(i) Bona Fide Debt Service Fund; Capitalized Interest. The Debt Service 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 and which will be depleted once a year (except for a reasonable carryover amount not to exceed the greater of one-twelfth of the annual debt service on the Bonds or one year's interest earnings on such fund). It is reasonably expected that all amounts received as income from the investment of the Bona Fide Debt Service Fund will be expended to pay the principal of and interest on the Bonds within one year of the receipt thereof. None of Pulte's contribution will be held by the District and used to pay capitalized interest on the Bonds.

(ii) Thirteen-Month Temporary Period. Other than Bond proceeds to be used to pay capitalized interest, any moneys held in the Bona Fide Debt Service Fund and allocated to the Bonds, which are to be used to pay principal or interest on the Bonds within 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 Bona Fide Debt Service Fund may be invested in obligations that bear a yield that does not exceed the yield of the Bonds. Moneys in the Bona Fide Debt Service Fund are not subject to the arbitrage rebate requirements provided in Section 148 of the Code and the Treasury Regulations promulgated thereunder to the extent earnings on such fund do not exceed $100,000 per year.

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 Debt Service 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. Therefore, it is 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 Over-issuance**. 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 1.3 hereof.

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 and Yield Limits**.

(i) 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 that, when used in computing the present value, as of the issue date, of all unconditionally payable payments of

principal and interest to be paid on an obligation and the cost of Qualified Guarantees paid and to be paid with respect to such obligation, produces an amount equal to the present value, as of the issue date, using the same discount rate, of the aggregate issue price of the Bonds. In determining the yield on the Bonds, the issue price of the Bonds is the aggregate of the issue price of each maturity of the Bonds. The issue price of each maturity of the Bonds is that initial offering price to the public (excluding bond houses, brokers, or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Bonds of that maturity (i.e. not less than ten percent (10%) of such maturity) were reasonably expected to be sold as of the sale date. The issue price does not change if part of the issue is later sold at a different price. The issue price of Bonds that are not substantially identical is determined separately. The issue price of the Bonds for which a bona fide public offering is made is determined as of the sale date based on reasonable expectations regarding the initial public offering price. The issue price of the Bonds may not exceed their fair market value as of the sale date. The Underwriter certified in the Underwriter's Certificate that the initial offering prices of the Bonds to the public was $5,944,963.35, which represents the price at which the Underwriter reasonably expected to sell at least ten percent (10%) of each maturity of the Bonds to the public (excluding bond houses, brokers, or similar persons acting in the capacity of underwriters or wholesalers). For purposes hereof, all calculations of yield have been made on the basis of semiannual compounding using a 360-day year.

Bond Counsel has instructed the Financial Advisor that the yield on the Bonds is to be computed under the economic accrual method using an assumed 30-day month/360-day year, and semi-annual compounding, as further described in this certificate. Based upon these instructions provided by Bond Counsel, the yield on the Bonds as computed by the Financial Advisor is 2.8755%.

(ii) Yield Limits. Except for the investment of Gross Proceeds in Higher Yielding Investments during a Temporary Period described in Section 3.1 (iv) of this Certificate or as a Minor Portion, the Gross Proceeds of the Bonds shall not be directly or indirectly invested in Higher Yielding Investments.

Section 4.2. Continuing Nature of Yield Limits. Subject to Section 7.2 hereof, 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.

Section 4.3. Qualified Guarantee. The Bond Insurance is a Qualified Guarantee within the meaning of Section 1.148-4(f) of the Treasury Regulations with respect to the Bonds. Thus, the premiums paid to the Bond Insurer for the Bond Insurance are treated as interest on the Bonds in computing the yield thereon.

ARTICLE 5
ARBITRAGE REBATE REQUIREMENTS

Section 5.1 **Rebate Fund**. In the event the District is required to rebate its earnings and profits from the investment of the Bonds, the District shall establish a special fund designated the "Rebate Fund," which shall be funded, held, invested, expended and accounted for in accordance with the Resolutions and this certificate. The Rebate Fund shall be kept separate and apart from all other funds and moneys. Moneys in the Rebate Fund shall not be considered moneys held for the benefit of the owners from time to time of the Bonds, or except as provided in Section 7.4 hereof, for the benefit of the District. Moneys in the Rebate Fund (including earnings on deposits thereon) shall be held in trust and shall be held for future payment to the United States Treasury as required by Section 148(f) of the Code and the Treasury Regulations promulgated thereunder, and as contemplated under the provisions hereof.

Section 5.2 **Compliance with Rebate Requirements of the Code and Treasury Regulations**. The District covenants and agrees with respect to the Bonds to take such action and make, or cause to be made, all calculations, transfers and payments of the Rebate Amount in the amounts and at the times and in the manner provided in Section 148(f) of the Code and the Treasury Regulations promulgated thereunder with respect to the Gross Proceeds of the Bonds to the extent not excepted under Section 148(f)(4) of the Code. Notwithstanding the foregoing, the computations and payments of amounts referred to in this Article 5 need not be made to the extent that the District will not thereby fail to comply with any requirements of Section 148(f) of the Code based on an opinion of Bond Counsel.

Section 5.3 **Recordkeeping**. The District consents and agrees to keep and retain, or cause to be kept until three (3) years (or longer of required by Arizona law) after the retirement of the last obligation of the Bonds, adequate records with respect to each and every Non-purpose Investment attributable to the Gross Proceeds of the Bonds. Such records shall include: (a) purchase price; (b) purchase date; (c) any accrued interest paid; (d) face amount; (e) coupon rate; (f) interest payment date (if applicable); (g) disposition price; (h) accrued interest paid (if any); (i) disposition date and (j) broker's fees. If any Non-purpose Investment becomes Gross Proceeds of the Bonds on a date other than the date the Non-purpose Investment is purchased, the records required to be kept shall include the Fair Market Value of the Non-purpose Investment on the date it becomes Gross Proceeds. If any Non-purpose Investment is held after the date the last obligation of the Bonds is retired, the records required to be maintained shall include the Fair Market Value of the Non-purpose Investment on the date that the last obligation of the Bonds is retired. Amounts will be segregated whenever held to maintain these records.

Section 5.4 **Two-Year Spending Exception to Rebate Requirement**.

(a) Construction Issue. To be a "Construction Issue" at least seventy-five percent (75%) of the Available Construction Proceeds must be allocated to Construction Expenditures for the Project (consisting of labor and materials for constructing and improving certain facilities and improvements).

(b) Expenditure Requirements. To qualify for the two-year spending exception to the arbitrage rebate requirements of the Code, the Available Construction Proceeds must actually be spent for the governmental purposes of the Bonds according to the following schedule:

(i) ten percent (10%) within the six-month period beginning on the date hereof;

(ii) forty-five percent (45%) within the one-year period beginning on the date hereof;

(iii) seventy-five percent (75%) within the 18-month period beginning on the date hereof; and

(iv) one hundred percent (100%) within the two-year period beginning on the date hereof of the Bonds. The one hundred percent (100%) test at the end of the second year will be deemed to be met if no more than five percent (5%) of Available Construction Proceeds is kept as a Reasonable Retainage and such five percent (5%) is spent within the three-year period beginning on the Issuance Date of the Bonds. The term Reasonable Retainage is defined in Section 1.148-7(h) of the Treasury Regulations and includes amounts withheld for reasonable business purposes, such as to ensure or promote compliance with the terms of one or more construction contracts, where amounts are not yet payable, or in which the District determines that an actual dispute exists regarding either completion of construction or payment. In addition, a *de minimis* rule, provided in Section 1.148-7(b)(4) of the Treasury Regulations, may be used in conjunction with the five percent (5%) Reasonable Retainage rule. Under the *de minimis* rule a failure to spend an amount that does not exceed the lesser of three percent (3%) of the Issue Price or $250,000 is disregarded if the District exercises due diligence to complete the Project.

(c) Rebate. If the District fails to satisfy the expenditure requirements described in subparagraph 5.6(b) hereof, the District will be obligated to pay arbitrage rebate in accordance with the general rules of Section 148(f) of the Code and the Treasury Regulations promulgated thereunder unless another exception from arbitrage rebate is available.

(d) Two-Year Spending Exception Elections.

(i) Election to Use Actual Facts Instead of Expectations for the Seventy-Five Percent 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."

(ii) 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 5.4(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.

Section 5.5 **18 Month Expenditure Exception.** Pursuant to Section 1.148-7(d)(3)(ii) of the Treasury Regulations, for purposes of determining compliance with the first two spending periods under Section 1.148-7(d)(1)(i) of the Treasury Regulations, the amount of investment earnings on the Sale Proceeds of the Bonds is reasonably expected to be $5,000.00.

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. 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 (or five percent (5%) or more of the Proceeds of the Bonds for an unrelated purpose or use that is disproportionate to the government use financed by 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 governmental 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).

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 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. In the Resolution, the District designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. The District certifies that 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 2016 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 to 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 hereof shall bind and inure to the benefit of the respective successors and assigns of the District.

Section 7.4. **Headings**. The headings hereof are inserted for convenience only and shall not be deemed to constitute a part hereof.

Section 7.5. **Termination**. This certificate shall terminate if (i) the Bonds have been fully paid and returned at least seventy-five (75) days prior to the effective date of termination, and (ii) all amounts remaining on deposit in the Rebate Fund, if any, shall have been paid to or upon the order of the United States and any other payments required under Section 148(f) of the Code have been made to the United States.

DATED: July 13, 2016.

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

By_____
Jackie A. Meck, ~~District Chairman~~

By_____
~~District~~ Clerk

DSC:dlh 2718543.2 7/1/2016

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 the fair market value of an investment is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's-length transaction. Fair market value generally is determined on the date on which a contract to purchase or sell the Non-purpose Investment becomes binding (i.e., the trade date rather than the settlement date). An investment that is not of a type traded on an established securities market, within the meaning of Section 1273 of the Code, is rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value. The fair market value of a United States Treasury obligation that is purchased directly from the United States Treasury is its purchase price.

(A) Certificates of Deposit Safe Harbor. A certificate of deposit that has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal shall be treated as purchased at its fair market value if the yield on the certificate of deposit is not less than (i) the yield on reasonably comparable direct obligations of the United States; and (ii) the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(B) Guaranteed Investment Contracts. The purchase price of a guaranteed investment contract is treated as its fair market value on the purchase date if (i) the issuer makes a bona fide solicitation from at least three reasonably competitive providers (i.e., a provider that has an established industry reputation as a competitive provider of the type of investments being purchased) for a specified guaranteed investment contract and receives at least three bona fide bids from providers (one of which is from a reasonably competitive provider) that have no material financial interest in the issue (i.e., a lead

underwriter, financial advisor or broker); (ii) the issuer purchases the highest-yielding guaranteed investment contract for which a qualifying bid is made (determined net of broker's or other third party's fees); (iii) the yield on the guaranteed investment contract (determined net of broker's or other third party's fees) is not less than the yield then available from the provider on reasonably comparable guaranteed investment contracts, if any, offered to other persons from a source of funds other than gross proceeds of tax-exempt bonds; (iv) the determination of the terms of the guaranteed investment contract takes into account as a significant factor the issuer's reasonably expected drawdown schedule for the amounts to be invested, exclusive of amounts deposited in debt service funds and reasonably required reserve or replacement funds; (v) the terms of the guaranteed investment contract, including collateral security requirements, are reasonable; (vi) the obligor on the guaranteed investment contract certifies the administrative costs that it is paying (or expects to pay) to third parties in connection with the guaranteed investment contract; (vii) the fee for each guaranteed investment contract or investments purchased for a yield restricted defeasance escrow does not exceed the lesser of (a) $39,000 or (b) the greater of (A) .2% of the amount of gross proceeds the issuer reasonably expects, as of the date the contract is acquired, to be deposited in the contract over the term of the contract, or (B) $4,000; and (viii) for any issue, the fees do not exceed $110,000 for all guaranteed investment contracts and investments for yield restricted defeasance escrows purchased with the gross proceeds of the issue.

"***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 1.103-1(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 Underwriter's Certificate.

"***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

SOURCES AND USES OF BOND PROCEEDS AND OTHER MONEYS

SOURCES	
Principal amount of Bonds	$5,410,000.00
Premium	534,963.35
Developer Contribution	237,380.00
TOTAL SOURCES	$6,182,343.35
USES	
Deposit to Acquisition Fund	$5,891,681.09
Deposit to Acquisition Fund to pay Costs of Issuance (from Developer contribution)	138,900.00
Underwriter's Compensation (from Developer contribution)	98,480.00
Bond Insurance Premium (from Premium)	53,282.26
TOTAL USES	$6,182,343.35

EXHIBIT C

Principal Amount of Bonds	$ 5,410,000.00
Premium	534,963.35
ISSUE PRICE	$ 5,944,963.35
SALE PROCEEDS	$ 5,944,963.35
Less: Minor Portion	(100,000.00)
NET SALE PROCEEDS	$5,844,963.35

DSC:dlh 2718543.2 7/1/2016

EXHIBIT D

TERMS OF THE BONDS

Maturity (July 15)	Principal Amount	Interest Rate	Yield
2017	$ 70,000	2.00%	1.05%
2018	75,000	2.00	1.19
2019	80,000	3.00	1.38
2020	85,000	3.00	1.53
2021	90,000	4.00	1.71
2022	95,000	4.00	1.86
2023	100,000	4.00	2.01
2024	100,000	4.00	2.11
2025	105,000	4.00	2.21
2026	110,000	4.00	2.31
2031	625,000	4.00	2.66*
2036	3,875,000	4.00	2.89*

*Priced to July 15, 2026, the first optional redemption date

Optional Redemption. The Bonds maturing on or after July 15, 2031 are subject to redemption prior to maturity, at the option of the District, on or after July 15, 2026, in whole or in part on any date, at the redemption price of the principal amount of the Bonds or portion thereof being redeemed plus interest accrued to the date of redemption, but without premium.

Mandatory Redemption. The Bonds maturing on July 15 of the following years will be redeemed on July 15 of the following years and in the following principal amounts at a price equal to the principal amount thereof plus interest accrued to the date of redemption, but without premium:

Year Redeemed	Principal Amount Redeemed
Term Bond Maturing 2031	
2027	$ 115,000
2028	120,000
2029	125,000
2030	130,000
2031 (maturity)	135,000
Term Bond Maturing 2036	
2032	$ 145,000
2033	205,000
2034	750,000
2035	1,360,000
2036 (maturity)	1,415,000

$5,410,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS,
SERIES 2016
(BANK QUALIFIED)

CERTIFICATE OF THE DISTRICT TREASURER REGARDING OFFICIAL STATEMENT AND RULE 15C2-12

On behalf of Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "*District*"), the undersigned hereby represents and warrants to Stifel, Nicolaus & Company, Incorporated (the "*Underwriter*") with respect to the District's General Obligation Bonds, Series 2016 (the "*Bonds*"), in the aggregate principal amount of $5,410,000 as to certain matters in compliance with Rule 15c2-12 of the Securities and Exchange Commission promulgated pursuant to the Securities Exchange Act of 1934, as amended (the "*Disclosure Rule*"). Representatives of the District (including, but not limited to the District's Financial Advisor) have reviewed the Preliminary Official Statement dated June 10, 2016 (the "*Preliminary Official Statement*"), with respect to the offering of the Bonds and such Preliminary Official Statement was deemed "final" as of its date for purposes of the Disclosure Rule.

As permitted by the Disclosure Rule, certain information was omitted from the Preliminary Official Statement, including: (a) offering price(s); (b) interest rates; (c) selling compensation; (d) delivery date; and (e) other terms of the Bonds depending on such matters. The Underwriter furnished the necessary offering price information, selling compensation information, all other terms of the sale depending on such matters and any Underwriter information needed to complete the final Official Statement. The District caused to be prepared the final Official Statement in substantially the form of the Preliminary Official Statement, with such additions, deletions or revisions as the District deemed necessary.

The undersigned hereby certifies to the Underwriter that representatives of the District have reviewed the final Official Statement dated June 23, 2016 with respect to the offering of the Bonds and such Official Statement was deemed "final" as of its date for purposes of the Disclosure Rule. To the best of my knowledge, information and belief, the descriptions and statements contained in the Official Statement are at the time of issuance of the Bonds, true, correct and complete in all material respects and do not contain an untrue statement of a material fact, or omit to state a material fact required to be stated therein in order to make the statements, in light of the circumstances under which they are made, not misleading.

[Signature Page to Follow]

Dated: July 13, 2016.

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

By _____
District Treasurer

DSC:dsc 2718545.1 6/28/2016

$5,410,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS,
SERIES 2016
(BANK QUALIFIED)

CLOSING CERTIFICATE OF CITY OF BUCKEYE, ARIZONA

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

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

2. That the City is a duly incorporated and validly existing municipal corporation of the State of Arizona and is governed by duly elected and qualified Mayor and six Council Members and that on July 13, 2016, the following persons are the duly qualified and acting Mayor and members of the Council of the City:

Jackie A. Meck	Mayor
Michelle Hess	Vice Mayor
Robert Garza	Council Member
Brian McAchran	Council Member
Craig Heustis	Council Member
Eric Orsborn	Council Member

3. That the City is the successor in interest to the Town of Buckeye, Arizona (the "*Town*"), and the City has acceded to all assets and liabilities of the Town.

4. (a) That on April, 19, 2005 Resolution No. 39-05 (the "*Formation Resolution*") of the Mayor and Council of the Town Ordering Formation of Festival Ranch Community Facilities District (City of Buckeye, Arizona) 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 Formation 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 City has no rules of procedure which would invalidate or make ineffective the Formation Resolution.

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

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

6. That, to the actual knowledge of the undersigned, no litigation or proceeding is pending or threatened in any court or administrative body contesting the due organization and valid existence of the Council of the City or the City, the titles of the Mayor and members of the Council of the City to their respective offices or the validity, due authorization and execution of the Formation Resolution; restricting or preventing the City from performing its obligations under the Formation Resolution; or attempting to limit, enjoin or otherwise restrict or prevent the Mayor and Council of the City or the City from functioning pursuant to the terms of the Formation Resolution.

7. That all of the findings and the representations and warranties of the City made and contained in the Formation Resolution (which findings and representations and warranties, respectively, 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 findings and representations and warranties, respectively, were set forth herein as of the date hereof.

[Signature Page to Follow]

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

Dated: July 13, 2016.

CITY OF BUCKEYE, ARIZONA

By _____
Jackie A. Meck, Mayor

By _____
Lucinda Aja, City Clerk

By _____
Stephen S. Cleveland, City Manager

DSC:dlh 2718732.2 7/1/2016

$5,410,000.00
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(TOWN OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS,
SERIES 2016

CLOSING CERTIFICATE OF PULTE HOME CORPORATION

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 duly organized and validly existing under the laws of the State of Michigan, and authorized to transact business in the State of Arizona. The Company has no proceedings pending or contemplated with a view to liquidation or dissolution.

3. That the Company has the power and authority to execute and deliver the following documents (collectively, the *"Documents"*) 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 Docket No. 2005-1333865 as amended (the *"Development Agreement"*); and

(b) The Letter of Indemnity, dated as of June 23, 2016, from the Company to the Festival Ranch Community Facilities District (Town of Buckeye, Arizona) (the "*District*") and Stifel, Nicolaus & Company, Incorporated (the *"Underwriter"*).

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

5. That the undersigned 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.

NAME	TITLE
Bruce E. Robinson	Vice President and Treasurer

6. The Documents will not conflict with or result in a violation of any contract, indenture, instrument or other agreement to which the Company is a party or by which it or its properties are bound.

7. 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.

8. 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.

9. As of the date hereof, the information in the Official Statement with respect to the Bonds under the headings "LAND DEVELOPMENT," "THE PUBLIC INFRASTRUCTURE," "PUBLIC INFRASTRUCTURE FINANCED BY THE BONDS," "PULTE" and "RISK FACTORS" (but not the other information, opinions, assumptions or projections contained therein) is true and correct in all material respects for the purposes for which its use is or was authorized, and such information does not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein in light of the circumstances under which they are or were made, not misleading.

10. 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 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.

11. 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 July 6, 2016. Nothing has occurred since the date of the Certificate of Good Standing that would cause the Company to no longer be in good standing.

12. 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 July 6, 2016. Nothing has occurred since the date of the Certificate of Good Standing that would cause the Company to no longer be in good standing.

13. 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.

14. 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.

15. The Company certifies that all improvements financed with the Bonds have been or will be transferred to the District or a governmental entity in due course.

[SIGNATURE APPEARS ON THE FOLLOWING PAGE.]

IN WITNESS WHEREOF, the undersigned has hereunto set his hand on ~~June~~ JULY 13, 2016.

PULTE HOME CORPORATION,
a Michigan corporation

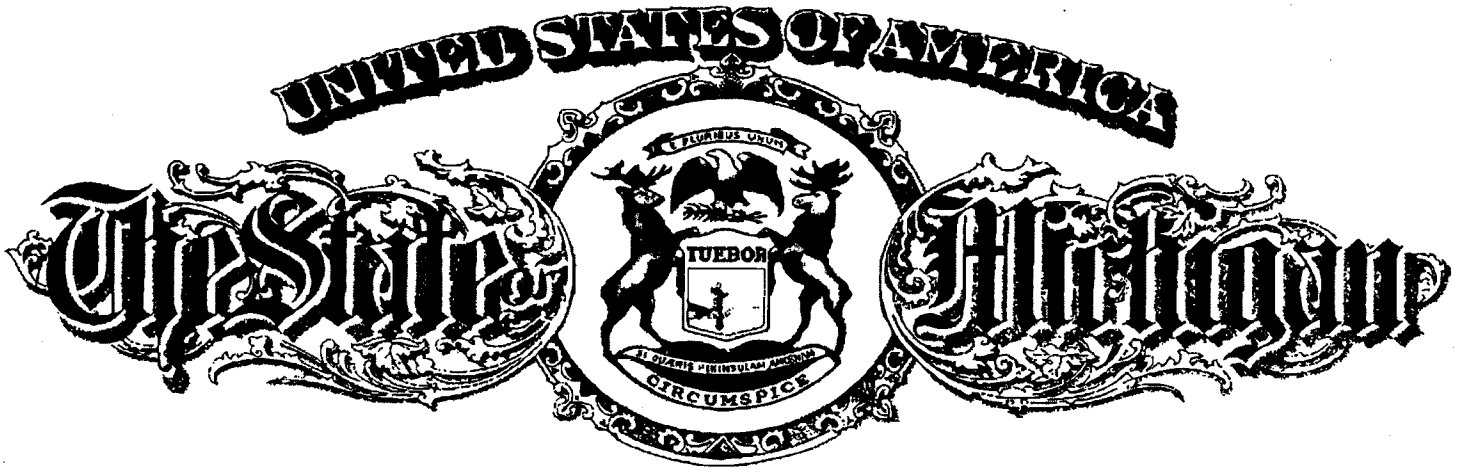
By:_____
Name: Bruce E. Robinson
Title: Vice President and Treasurer

ATTACHMENTS

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

EXHIBIT A

CERTIFICATE OF GOOD STANDING – MICHIGAN



Department of Licensing and Regulatory Affairs

Lansing, Michigan

This is to Certify That

PULTE HOME CORPORATION

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

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

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

Sent by Facsimile Transmission
1396667

In testimony whereof, I have hereunto set my hand, in the City of Lansing, this 6th day of July, 2016.

Julia Dale

Julia Dale, Director
Corporations, Securities & Commercial Licensing Bureau

EXHIBIT B

CERTIFICATE OF GOOD STANDING – ARIZONA

STATE OF ARIZONA

Office of the
CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

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

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

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

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

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 6th day of July, 2016, A. D.

SEAL OF THE ARIZONA CORPORATION COMMISSION
DITAT DEUS
1912

Jodi A. Jerich, Executive Director

By: 1464905

$5,410,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS,
SERIES 2016
(BANK QUALIFIED)

Closing: July 13, 2016

RECEIPT AND REQUEST FOR AUTHENTICATION

I, the undersigned District Treasurer of the Festival Ranch Community Facilities District (City of Buckeye, Arizona), hereby certify that I received from Stifel, Nicolaus & Company, Incorporated (the "*Underwriter*") and from Pulte Home Corporation on the date of this Certificate the following amounts of money for the purchase of Festival Ranch Community Facilities District (City of Buckeye, Arizona), General Obligation Bonds, Series 2016 (the "*Bonds*"), and as a developer contribution, respectively:

Principal	$5,410,000.00
Original Issue Premium	534,963.35
TOTAL GROSS PROCEEDS	$5,944,963.35
Plus: Developer Contribution	$237,380.00
Less: Underwriter's Discount	$98,480.00
Less: Bond Insurance Premium	$53,282.26
AMOUNT RECEIVED AT CLOSING	$6,030,581.09

The undersigned hereby requests that Zions Bank, a division of ZB, National Association, acting as registrar, authenticate $5,410,000 in aggregate principal amount of the Bonds in the respective amounts and interest rates and maturing on the dates shown in the Purchase Contract appearing in the transcript of which this Certificate is a part and cause the Bonds to be delivered to the order of the Underwriter thereof.

[Signature Page to Follow]

Dated: July 13, 2016.

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

By_____
District Treasurer

ZDS:dlh 2725063.2 7/1/2016

$5,410,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS,
SERIES 2016
(BANK QUALIFIED)

REGISTRAR'S CERTIFICATE OF COMPLETION AND AUTHENTICATION

The undersigned, an authorized representative of Zions Bank, a Division of ZB, National Association, as registrar and paying agent (the "*Registrar*") under the Bond Registrar, Transfer Agent and Paying Agent Contract dated as of July 1, 2016 (the "*Contract*"), by and between Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "*District*") and the Registrar hereby certifies that:

(a) The performance of its duties and obligations under the Contract has been duly authorized by all necessary corporate action on the part of the Registrar and under present law does not contravene the Articles of Association or By-Laws of the Registrar or to the best of its knowledge, after due inquiry, conflict with or constitute a breach of or default under any law, administrative regulation, consent decree or any material agreement or instrument to which the Registrar is subject.

(b) By all necessary action, the Registrar has authorized the execution, delivery and due performance by it of the Contract and the execution, delivery and due performance by it of the Certificate of Authentication appearing on 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 resolution of the District adopted on May 17, 2016, authorizing the issuance and sale of the captioned Bonds (the "*Bonds*").

(c) Pursuant to the written request and authorization from the District, the Registrar has executed the Bonds and caused the Bonds to be delivered in accordance with such written authorization and direction to the Registrar. The persons executing the Bonds and all documents relating to the Bonds on behalf of the Registrar were and are representatives duly authorized to execute the Bonds and all documents relating to the Bonds on behalf of the Registrar. Their signatures appearing on the Bonds and other documents are their true and correct signatures.

(d) The Bonds have been properly and accurately completed.

(e) Attached hereto is a true, complete and correct copy of a resolution of the Registrar demonstrating the authority of the officer executing documents in the name of the Registrar to act on behalf of the Registrar. Said authority was in effect on the date or dates that said officer acted and remains in full force and effect on the date hereof.

[Signature Page to Follow]

Dated: July 13, 2016.

ZIONS BANK, A DIVISION OF ZB, NATIONAL ASSOCIATION

By_____
Authorized Representative

DSC:dsc 2719027.1 6/28/2016

SECRETARY'S CERTIFICATE
(INCUMBENCY)

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

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

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

Richard J. Sullivan, III – Executive Vice President & Trust Officer
Anna McCully – Assistant Vice President & Trust Officer
Annette Langheinrich – Vice President
Bryant Eckert – Vice President
Carl J. Mathis – Vice President & Trust Officer
Dan Ellison – Vice President & Trust Officer
Daniel J. Dixon – Sr. Vice President & Trust Officer
Daryl Pomykala – Vice President
David Van Wagoner – Vice President & Trust Officer
David W. Bata – Sr. Vice President & Trust Officer
Dawn Richards – Vice President & Trust Officer
Eric Mitzel – Vice President
Gregory G. Cross- Vice President & Trust Officer
Jacqueline Nowak – Vice President
James E. Becker – Officer
Joni D'Amico – Vice President & Trust Officer
Linda Anderson – Trust Officer
Lorrie Letchworth – Trust Officer
Mark D. Petrasso – SVP & Business Development Officer
Mark Henson – Vice President & Trust Officer
Mary Jane Henson – Senior Vice President
Melissa Urishko – Vice President & Trust Officer
Michael Jones – Vice President
Nancy Eatros – Vice President & Trust Officer
Neil B. Witoff – Vice President & Trust Officer
Pathricia O'Connor – Vice President & Trust Officer
Ramona K. Johns – Assistant Vice President & Trust Officer
Robert Cafarelli – Vice President

Robert Demos – Vice President
Ryan M. Pollihan – Vice President & Trust Officer
Sandi Kinney – Vice President & Trust Officer
Sandra D. Stevens – Vice President & Trust Officer
Scott Blair – Vice President & Trust Officer
Shelene Brown – Vice President & Trust Officer
Stephanie Nicholls – Vice President & Trust Officer
Twyla D. Lehto – Senior Vice President & Trust Officer

IN WITNESS WHEREOF, I have executed this certificate this 31st day of March, 2016.

RENA A. MILLER
Assistant Secretary

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

Executed and witnessed before me this 31st day of March, 2016.

NOTARY PUBLIC

[seal]

NOTARY PUBLIC
JULI ANN RILEY
Commission No. 687818
Commission Expires
FEBRUARY 18, 2020
STATE OF UTAH

FirstSouthwest
A Division of Hilltop Securities.

2398 E Camelback Road, Suite 340
Phoenix, AZ 85016

602.224.7114 Direct
602.956.2033 Fax
karyl.guthery@hilltopsecurities.com

Memorandum

Karyl Guthery
Sr. Office Administrator

Date: July 6, 2016

To: Closing Participants

Subject: **Final Closing Memorandum**
Festival Ranch Community Facilities District (City of Buckeye, Arizona)
$5,410,000 General Obligation Bonds, Series 2016 (Bank Qualified)

Time and Location: The closing for the above-captioned bond issue is scheduled for **Wednesday, July 13, 2016 at 8:00 a.m.** Mountain Standard Time in the offices of Gust Rosenfeld P.L.C., One East Washington Street, Suite 1600, Phoenix, Arizona, 85004-2553; 602-257-7422.

Closing:

I. Sources and Uses of Funds

Sources:	Par Amount:	$5,410,000.00
	Reoffering Premium:	534,963.35
	Developer Contribution:	237,380.00
	Total:	$6,182,343.35
Uses:	Project Fund:	$5,891,681.09
	Bond Insurance:	53,282.26
	Costs of Issuance:	138,900.00
	Underwriter's Discount:	98,480.00
	Total:	$6,182,343.35

II. Settlements

On the morning of closing, Stifel, Nicolaus & Company, Inc. (the "Underwriter"), on behalf of the District, will wire transfer federal funds to Build America Mutual Assurance Company (the "Insurer") in the amount of **$53,282.26,** per the following wire instructions:

Bank:	First Republic Bank
ABA#:	321081669
Acct. Name:	Build America Mutual Assurance Company
Account No.	80001613703
Policy No.:	2016B0498 (include in OBI Field)

Pulte Home Corporation ("Pulte"), will make a cash contribution prior to closing. Pulte will wire transfer federal funds in the amount of **$237,380.00**, to the District no later than **Tuesday, July 12, 2016**.

On the morning of closing, the Underwriter will wire transfer federal funds to the District in the amount of **$5,793,201.09**, calculated as follows:

Par Amount:	$5,410,000.00
Reoffering Premium:	534,963.35
Underwriting Discount:	(98,480.00)
Bond Insurance Premium:	(53,282.26)
Amount due at closing:	$5,793,201.09

Pulte and the Underwriter will wire the amounts calculated above according to the following instructions:

To:	National Bank of Arizona
ABA #:	122105320
Account #:	7610000042
For Credit To:	Festival Ranch CFD – GO 2016
Attention:	Kim Sandstrom (Tel: 623.349.6163)

III. Costs of Issuance

All invoices for costs of issuance related to the Series 2016 Bonds should be submitted to: Kim Sandstrom at City of Buckeye, email: ksandstrom@buckeyeaz.gov.

$5,410,000
Festival Ranch Community Facilities District
General Obligation Bonds, Series 2016
(Bank Qualified)

Delivery Date: July 13, 2016

CUSIP Base: 315598

SERIAL BONDS:

Due July 15th	CUSIP	Coupon		Principal Amount	Initial Offering Prices
2017	CE0	2.00	$	70,000	100.947
2018	CF7	2.00		75,000	101.600
2019	CG5	3.00		80,000	104.753
2020	CH3	3.00		85,000	105.690
2021	CJ9	4.00		90,000	110.941
2022	CK6	4.00		95,000	112.106
2023	CL4	4.00		100,000	112.943
2024	CM2	4.00		100,000	113.854
2025	CN0	4.00		105,000	114.544
2026	CR1	4.00		110,000	115.020

TERM BONDS:

2031	CP5	4.00	625,000	111.703
2036	CQ3	4.00	3,875,000	109.584

FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2016
(BANK QUALIFIED)

FINANCING TEAM DISTRIBUTION LIST

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

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

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

Kim Sandstrom, Senior CFD Accountant
(623) 349-6163
e-mail: ksandstrom@buckeyeaz.gov

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

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

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

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

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

Dustin S. Cammack
602.257.7977 (direct)
e-mail: dcammack@gustlaw.com

Joan Hubbert
(602) 257-7435
e-mail: jhubbert@gustlaw.com

Registrar & Paying Agent:
Zions Bank Corporate Trust
6001 North 24th Street
Phoenix, AZ 85016

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

Financial Advisor:
Hilltop Securities Inc.
2398 E. Camelback Rd., Suite 340
Phoenix, AZ 85016
Fax: (602) 956-2033

Larry Given, Director
(602) 224-7112
e-mail:
larry.given@hilltopsecurities.com

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

Karyl Guthery, Senior Office Administrator
(60) 224-7114
e-mail:
karyl.guthery@hilltopsecurities.com

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

Mark Reader, Managing Director
(602) 794-4011
Cell: (602) 432-4889
e-mail: mreader@stifel.com

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

One Ferry Building
San Francisco, CA 94111
Fax: (415) 445-2395

Ruth Hunter, Closing Specialist
(415) 445-2315
e-mail: rhunter@stifel.com

Underwriter's Counsel:
Greenberg Traurig, LLP
2375 E. Camelback Road, Suite 700
Phoenix, AZ 85016
Fax: (602) 445-8100

Michael Cafiso, Esq.
(602) 445-8451
e-mail: cafisom@gtlaw.com

Paul Gales, Esq.
(602) 445-8404
e-mail: galesp@gtlaw.com

FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2016
(BANK QUALIFIED)

FINANCING TEAM DISTRIBUTION LIST (continued)

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

Richard Lopez, P.E., Land Project Manager
(480) 391-6068
Cell: (602) 615-5791
e-mail: Richard.Lopez@PulteGroup.com

Laura Meyers, Asst. Land Project Manager
(480) 391-6001
e-mail: Laura.Meyers@PulteGroup.com

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

Kristi Herbst
(480) 391-6213
e-mail: Kristi.herbst@pultegroup.com

Developer Counsel:
Berens Kozub Lord & Kloberdanz
7047 E. Greenway Pkwy, Suite 140
Scottsdale, AZ 85254
Fax: (480) 607-2215

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

Insurer:
Build America Mutual Assurance Company
200 Liberty Street | 27th Floor
New York, NY 10281

Nolan Miller, Closing Coordinator
212) 235-2511
Cell: (347) 930-8179
Fax: (212) 962-1710
Email: nmiller@buildamerica.com

SOURCES AND USES OF FUNDS

Festival Ranch Community Facilities District
(City of Buckeye, Arizona)
General Obligation Bonds, Series 2016
(Bank Qualified)
****FINAL****

Dated Date	07/13/2016
Delivery Date	07/13/2016

Sources:	
Bond Proceeds:	
Par Amount	5,410,000.00
Premium	534,963.35
	5,944,963.35
Other Sources of Funds:	
Developer Contribution	237,380.00
	6,182,343.35

Uses:	
Project Fund Deposits:	
Project Fund	5,891,681.09
Delivery Date Expenses:	
Cost of Issuance	138,900.00
Underwriter's Discount	98,480.00
Bond Insurance	53,282.26
	290,662.26
	6,182,343.35

BOND PRICING

Festival Ranch Community Facilities District
(City of Buckeye, Arizona)
General Obligation Bonds, Series 2016
(Bank Qualified)
FINAL

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Bond Component:									
	07/15/2017	70,000	2.000%	1.050%	100.947				662.90
	07/15/2018	75,000	2.000%	1.190%	101.600				1,200.00
	07/15/2019	80,000	3.000%	1.380%	104.753				3,802.40
	07/15/2020	85,000	3.000%	1.530%	105.690				4,836.50
	07/15/2021	90,000	4.000%	1.710%	110.941				9,846.90
	07/15/2022	95,000	4.000%	1.860%	112.106				11,500.70
	07/15/2023	100,000	4.000%	2.010%	112.943				12,943.00
	07/15/2024	100,000	4.000%	2.110%	113.854				13,854.00
	07/15/2025	105,000	4.000%	2.210%	114.544				15,271.20
	07/15/2026	110,000	4.000%	2.310%	115.020				16,522.00
		910,000							90,439.60
2031 Term Bond:									
	07/15/2027	115,000	4.000%	2.660%	111.703 C	3.024%	07/15/2026	100.000	13,458.45
	07/15/2028	120,000	4.000%	2.660%	111.703 C	3.024%	07/15/2026	100.000	14,043.60
	07/15/2029	125,000	4.000%	2.660%	111.703 C	3.024%	07/15/2026	100.000	14,628.75
	07/15/2030	130,000	4.000%	2.660%	111.703 C	3.024%	07/15/2026	100.000	15,213.90
	07/15/2031	135,000	4.000%	2.660%	111.703 C	3.024%	07/15/2026	100.000	15,799.05
		625,000							73,143.75
2036 Term Bond:									
	07/15/2032	145,000	4.000%	2.890%	109.584 C	3.339%	07/15/2026	100.000	13,896.80
	07/15/2033	205,000	4.000%	2.890%	109.584 C	3.339%	07/15/2026	100.000	19,647.20
	07/15/2034	750,000	4.000%	2.890%	109.584 C	3.339%	07/15/2026	100.000	71,880.00
	07/15/2035	1,360,000	4.000%	2.890%	109.584 C	3.339%	07/15/2026	100.000	130,342.40
	07/15/2036	1,415,000	4.000%	2.890%	109.584 C	3.339%	07/15/2026	100.000	135,613.60
		3,875,000							371,380.00
		5,410,000							534,963.35

Dated Date	07/13/2016	
Delivery Date	07/13/2016	
First Coupon	01/15/2017	
Par Amount	5,410,000.00	
Premium	534,963.35	
Production	5,944,963.35	109.888417%
Underwriter's Discount	-98,480.00	-1.820333%
Purchase Price	5,846,483.35	108.068084%
Accrued Interest		
Net Proceeds	5,846,483.35	

BOND DEBT SERVICE

Festival Ranch Community Facilities District
(City of Buckeye, Arizona)
General Obligation Bonds, Series 2016
(Bank Qualified)
****FINAL****

Dated Date	07/13/2016
Delivery Date	07/13/2016

Period Ending	Principal	Interest	Debt Service
07/15/2017	70,000	213,026.94	283,026.94
07/15/2018	75,000	210,450.00	285,450.00
07/15/2019	80,000	208,950.00	288,950.00
07/15/2020	85,000	206,550.00	291,550.00
07/15/2021	90,000	204,000.00	294,000.00
07/15/2022	95,000	200,400.00	295,400.00
07/15/2023	100,000	196,600.00	296,600.00
07/15/2024	100,000	192,600.00	292,600.00
07/15/2025	105,000	188,600.00	293,600.00
07/15/2026	110,000	184,400.00	294,400.00
07/15/2027	115,000	180,000.00	295,000.00
07/15/2028	120,000	175,400.00	295,400.00
07/15/2029	125,000	170,600.00	295,600.00
07/15/2030	130,000	165,600.00	295,600.00
07/15/2031	135,000	160,400.00	295,400.00
07/15/2032	145,000	155,000.00	300,000.00
07/15/2033	205,000	149,200.00	354,200.00
07/15/2034	750,000	141,000.00	891,000.00
07/15/2035	1,360,000	111,000.00	1,471,000.00
07/15/2036	1,415,000	56,600.00	1,471,600.00
	5,410,000	3,470,376.94	8,880,376.94

BOND DEBT SERVICE

Festival Ranch Community Facilities District
(City of Buckeye, Arizona)
General Obligation Bonds, Series 2016
(Bank Qualified)
****FINAL****

Dated Date	07/13/2016
Delivery Date	07/13/2016

Period Ending	Principal	Interest	Debt Service	Annual Debt Service
01/15/2017		107,101.94	107,101.94	
07/15/2017	70,000	105,925.00	175,925.00	283,026.94
01/15/2018		105,225.00	105,225.00	
07/15/2018	75,000	105,225.00	180,225.00	285,450.00
01/15/2019		104,475.00	104,475.00	
07/15/2019	80,000	104,475.00	184,475.00	288,950.00
01/15/2020		103,275.00	103,275.00	
07/15/2020	85,000	103,275.00	188,275.00	291,550.00
01/15/2021		102,000.00	102,000.00	
07/15/2021	90,000	102,000.00	192,000.00	294,000.00
01/15/2022		100,200.00	100,200.00	
07/15/2022	95,000	100,200.00	195,200.00	295,400.00
01/15/2023		98,300.00	98,300.00	
07/15/2023	100,000	98,300.00	198,300.00	296,600.00
01/15/2024		96,300.00	96,300.00	
07/15/2024	100,000	96,300.00	196,300.00	292,600.00
01/15/2025		94,300.00	94,300.00	
07/15/2025	105,000	94,300.00	199,300.00	293,600.00
01/15/2026		92,200.00	92,200.00	
07/15/2026	110,000	92,200.00	202,200.00	294,400.00
01/15/2027		90,000.00	90,000.00	
07/15/2027	115,000	90,000.00	205,000.00	295,000.00
01/15/2028		87,700.00	87,700.00	
07/15/2028	120,000	87,700.00	207,700.00	295,400.00
01/15/2029		85,300.00	85,300.00	
07/15/2029	125,000	85,300.00	210,300.00	295,600.00
01/15/2030		82,800.00	82,800.00	
07/15/2030	130,000	82,800.00	212,800.00	295,600.00
01/15/2031		80,200.00	80,200.00	
07/15/2031	135,000	80,200.00	215,200.00	295,400.00
01/15/2032		77,500.00	77,500.00	
07/15/2032	145,000	77,500.00	222,500.00	300,000.00
01/15/2033		74,600.00	74,600.00	
07/15/2033	205,000	74,600.00	279,600.00	354,200.00
01/15/2034		70,500.00	70,500.00	
07/15/2034	750,000	70,500.00	820,500.00	891,000.00
01/15/2035		55,500.00	55,500.00	
07/15/2035	1,360,000	55,500.00	1,415,500.00	1,471,000.00
01/15/2036		28,300.00	28,300.00	
07/15/2036	1,415,000	28,300.00	1,443,300.00	1,471,600.00
	5,410,000	3,470,376.94	8,880,376.94	8,880,376.94

BOND SUMMARY STATISTICS

Festival Ranch Community Facilities District
(City of Buckeye, Arizona)
General Obligation Bonds, Series 2016
(Bank Qualified)
****FINAL****

Dated Date	07/13/2016
Delivery Date	07/13/2016
First Coupon	01/15/2017
Last Maturity	07/15/2036
Arbitrage Yield	2.875527%
True Interest Cost (TIC)	3.396283%
Net Interest Cost (NIC)	3.486631%
All-In TIC	3.603275%
Average Coupon	3.988249%
Average Life (years)	16.084
Weighted Average Maturity (years)	16.093
Duration of Issue (years)	11.974
Par Amount	5,410,000.00
Bond Proceeds	5,944,963.35
Total Interest	3,470,376.94
Net Interest	3,033,893.59
Total Debt Service	8,880,376.94
Maximum Annual Debt Service	1,471,600.00
Average Annual Debt Service	443,895.54
Underwriter's Fees (per $1000)	
Average Takedown	18.000000
Other Fee	0.203327
Total Underwriter's Discount	18.203327
Bid Price	108.068084

	TIC	All-In TIC	Arbitrage Yield
Par Value	5,410,000.00	5,410,000.00	5,410,000.00
+ Accrued Interest			
+ Premium (Discount)	534,963.35	534,963.35	534,963.35
- Underwriter's Discount	-98,480.00	-98,480.00	
- Cost of Issuance Expense		-138,900.00	
- Other Amounts	-53,282.26	-53,282.26	-53,282.26
Target Value	5,793,201.09	5,654,301.09	5,891,681.09
Target Date	07/13/2016	07/13/2016	07/13/2016
Yield	3.396283%	3.603275%	2.875527%

COST OF ISSUANCE

Festival Ranch Community Facilities District
(City of Buckeye, Arizona)
General Obligation Bonds, Series 2016
(Bank Qualified)
****FINAL****

Cost of Issuance	$/1000	Amount
Bond Counsel - Gust Rosenfeld	7.01664	37,960.00
Financial Advisor - Hilltop Securities	7.39372	40,000.00
OS Printing and Preparation - Stifel	3.23475	17,500.00
Credit Rating - S&P	2.49538	13,500.00
Bond Registrar/ Paying Agent - Zions	0.46211	2,500.00
Contingency	1.00555	5,440.00
Underwriter's Counsel	4.06654	22,000.00
	25.67468	138,900.00

UNDERWRITER'S DISCOUNT

Festival Ranch Community Facilities District
(City of Buckeye, Arizona)
General Obligation Bonds, Series 2016
(Bank Qualified)
****FINAL****

Underwriter's Discount	$/1000	Amount
Average Takedown	18.00000	97,380.00
DTC/CUSIPs	0.20333	1,100.00
	18.20333	98,480.00

$5,410,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS,
SERIES 2016
(BANK QUALIFIED)

CERTIFICATE OF UNDERWRITER REGARDING INITIAL OFFERING PRICES AND CREDIT ENHANCEMENT

This certificate is furnished by Stifel, Nicolaus & Company, Incorporated, as underwriter (the "Underwriter") of the $5,410,000 stated principal amount of Festival Ranch Community Facilities District (City of Buckeye, Arizona) General Obligation Bonds, Series 2016 (the "Bonds"). The Underwriter hereby certifies and represents the following, based upon the information available to it:

1. **Issue Price.**

1.1. As of the date a purchase agreement was signed with respect to the Bonds (the "Sale Date"), we reasonably expected that the first prices at which the Bonds would be sold to the general public (excluding bond houses, brokers, or similar persons acting in the capacity of underwriter or wholesalers) in a *bona fide* public offering would be the prices listed on Schedule A.

1.2. In our opinion, and based upon our estimate as of the Sale Date, the initial offering prices of the Bonds set forth in Schedule A are within a reasonable range of, and do reflect, the fair market prices for such Bonds.

1.3 As of the Sale Date, all of the Bonds have actually been offered to the general public at the prices listed in Schedule A with the Bond Insurance (as defined in the Tax Certificate).

1.4 As of the Sale Date, at least 10% of each maturity of the Bonds were first sold or were reasonably expected to be sold at the prices referred to in Schedule A with the Bond Insurance.

2. **Bond Insurance.**

2.1 The present value of the amounts paid to obtain the Bond Insurance is less than the present value of the interest reasonably expected to be saved as a result of having the Bond Insurance, using the yield on the Bonds as the discount factor for this purpose.

2.2 To the best knowledge of the undersigned, the amount paid by the District to the Bond Insurer (as defined in the Tax Certificate) for the Bond Insurance is within a reasonable range of premiums charged for comparable credit enhancement for obligations comparable to the obligation evidenced and represented by the Bonds.

2.3 The fees paid and to be paid to obtain the Bond Insurance were determined in arm's-length negotiations and were required as a condition to the issuance by the Bond Insurer of the Bond Insurance.

2.4 To the best knowledge of the undersigned, the fees paid and to be paid for the Bond Insurance represent a commercially reasonable charge for the transfer of credit risk. Such fees do not include any direct or indirect payment for a cost, risk or other element that is not customarily borne by guarantors of tax-exempt bonds in transactions in which the guarantor has no involvement other than as guarantor. No non-guarantee services are being provided by the Bond Insurer.

We express no view regarding the legal sufficiency of any such computations or the correctness of any legal interpretation made by Bond Counsel.

Nothing herein represents our interpretation of any laws or regulations under the Internal Revenue Code of 1986, as amended.

[Signature Page to Follow]

DATED: July 13, 2016.

STIFEL, NICOLAUS & COMPANY, INCORPORATED

By: _____
B. Mark Reader, Managing Director

By: _____
[Underwriter]

DSC:dlh 2719032.2 7/1/2016

DATED: July 13, 2016.

STIFEL, NICOLAUS & COMPANY, INCORPORATED

By: _____
B. Mark Reader, Managing Director

By: _____
[Underwriter]

DSC:dlh 2719032.2 7/1/2016

SCHEDULE A

Maturity Date (July 15)	Principal Amount	Offering Price	Total for Maturity (in dollars)
2017	$ 70,000.00	100.947	$ 70,662.90
2018	75,000.00	101.600	76,200.00
2019	80,000.00	104.753	83,802.40
2020	85,000.00	105.690	89,836.50
2021	90,000.00	110.941	99,846.90
2022	95,000.00	112.106	106,500.70
2023	100,000.00	112.943	112,943.00
2024	100,000.00	113.854	113,854.00
2025	105,000.00	114.544	120,271.20
2026	110,000.00	115.020	126,522.00
2027(1)	115,000.00	111.703(3)	128,458.45
2028(1)	120,000.00	111.703(3)	134,043.60
2029(1)	125,000.00	111.703(3)	139,628.75
2030(1)	130,000.00	111.703(3)	145,213.90
2031	135,000.00	111.703(3)	150,799.05
2032(2)	145,000.00	109.584(3)	158,896.80
2033(2)	205,000.00	109.584(3)	224,647.20
2034(2)	750,000.00	109.584(3)	821,880.00
2035(2)	1,360,000.00	109.584(3)	1,490,342.40
2036	1,415,000.00	109.584(3)	1,550,613.60
TOTAL:	**$ 5,410,000.00**		**$ 5,944,963.35**

(1) Mandatory Redemption Date of July 15, 2031 Term Bond.
(2) Mandatory Redemption Date of July 15, 2036 Term Bond.
(3) Priced to the first optional redemption date, July 15, 2026.

$5,410,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS,
SERIES 2016
(BANK QUALIFIED)

RECEIPT FOR BONDS AND DOCUMENTS

On behalf of Stifel, Nicolaus & Company, Incorporated, the purchaser (the "*Underwriter*") of the $5,410,000 aggregate original principal amount of Festival Ranch Community Facilities District (City of Buckeye, Arizona) General Obligation Bonds, Series 2016 (the "*Bonds*"), the undersigned hereby acknowledges receipt of all such Bonds on the date set forth in this receipt, 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 executed and authenticated by Zions Bank, a division of ZB, National Association.

Further, the undersigned acknowledges receipt of all documentation required to be delivered at or prior to the closing pursuant to the Purchase Contract, dated June 23, 2016, by and between Festival Ranch Community Facilities District (City of Buckeye, Arizona) and the Underwriter. All such documentation is satisfactory in form and substance to the Underwriter. The requirement to deliver any documents at or prior to the closing pursuant to the Purchase Contract and not yet delivered is hereby waived.

DATED: July 13, 2016.

STIFEL, NICOLAUS & COMPANY, INCORPORATED

By _____
Authorized Agent

DSC:dsc 2719023.1 6/17/2016

$5,410,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS,
SERIES 2016
(BANK QUALIFIED)

CERTIFICATE OF THE FINANCIAL ADVISOR AS TO YIELD ON THE BONDS

FirstSouthwest, a Division of Hilltop Securities Inc., as Financial Advisor to Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "*District*"), with respect to the issuance of the above-referenced bonds (the "*Bonds*"), has agreed to determine the yield on the Bonds. The term "yield" in this context means the discount rate that, when used in computing the present value, as of the date hereof, of all unconditionally payable payments of principal of and interest on the Bonds, produces an amount equal to the present value, on the date hereof, using the same discount rate, of the aggregate issue price of the Bonds. In determining the yield on the Bonds, the issue price of the Bonds shall be the aggregate of the issue price of each maturity of the Bonds. The issue price of each maturity of the Bonds is that initial offering price to the public (excluding bond houses, brokers and similar persons or organizations acting in the capacity of underwriters or wholesalers) at which a substantial amount of Bonds of that maturity (i.e., at least ten percent (10%) of such maturity) were reasonably expected, as of the sale date, to be sold. The issue price does not change if part of the Bonds is later sold at a different price. The issue price of Bonds that are not substantially identical is determined separately. The issue price of Bonds for which a bona fide public offering is made is determined as of the sale date, based on reasonable expectations regarding the initial offering price. The issue price of the Bonds may not exceed their fair market value as of the sale date. The initial purchaser of the Bonds has certified as to the initial offering prices of the Bonds to the public in the Certificate of Underwriter Regarding Initial Offering Prices and Credit Enhancement contained in the closing transcript regarding the Bonds of which this certificate is a part. Based upon the initial offering price so certified, the undersigned hereby certifies that the yield on the above-referenced Bonds is at least 2.8755%. However, notwithstanding the foregoing, the Financial Advisor is not an accountant or actuary, nor is the Financial Advisor engaged in the practice of law. Accordingly, while the Financial Advisor believes the calculations described above to be correct, the Financial Advisor does not warrant them to be so, nor does the Financial Advisor warrant their validity for purposes of sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended.

Maturity Date (July 15)	Principal Amount	Interest Rate	Yield	Offering Price	Total for Maturity (in dollars)
2017	$ 70,000.00	2.00%	1.050%	100.947%	$ 70,662.90
2018	75,000.00	2.00	1.190	101.600	76,200.00
2019	80,000.00	3.00	1.380	104.753	83,802.40
2020	85,000.00	3.00	1.530	105.690	89,836.50
2021	90,000.00	4.00	1.710	110.941	99,846.90
2022	95,000.00	4.00	1.860	112.106	106,500.70
2023	100,000.00	4.00	2.010	112.943	112,943.00
2024	100,000.00	4.00	2.110	113.854	113,854.00
2025	105,000.00	4.00	2.210	114.544	120,271.20
2026	110,000.00	4.00	2.310	115.020	126,522.00
2027(1)	115,000.00	4.00	2.660	111.703(3)	128,458.45
2028(1)	120,000.00	4.00	2.660	111.703(3)	134,043.60
2029(1)	125,000.00	4.00	2.660	111.703(3)	139,628.75
2030(1)	130,000.00	4.00	2.660	111.703(3)	145,213.90
2031	135,000.00	4.00	2.660	111.703(3)	150,799.05
2032(2)	145,000.00	4.00	2.890	109.584(3)	158,896.80
2033(2)	205,000.00	4.00	2.890	109.584(3)	224,647.20
2034(2)	750,000.00	4.00	2.890	109.584(3)	821,880.00
2035(2)	1,360,000.00	4.00	2.890	109.584(3)	1,490,342.40
2036	1,415,000.00	4.00	2.890	109.584(3)	1,550,613.60
TOTAL:	**$5,410,000.00**				**$5,944,963.35**

(1) Mandatory Redemption Date of July 15, 2031 Term Bond.
(2) Mandatory Redemption Date of July 15, 2036 Term Bond.
(3) Priced to the first optional redemption date, July 15, 2026.

DATED: July 13, 2016.

FIRSTSOUTHWEST, A DIVISION OF HILLTOP SECURITIES INC.

By_____

DSC:dsc 2719041.1 6/28/2016

No. R-1 $70,000

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY ("DTC") TO THE DISTRICT OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND 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.

UNITED STATES OF AMERICA
STATE OF ARIZONA

FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BOND,
SERIES 2016
(BANK QUALIFIED)

SPECIMEN

INTEREST RATE	MATURITY DATE	ORIGINAL DATED DATE	CUSIP NO.:
2.00%	July 15, 2017	July 13, 2016	315898CE0

REGISTERED OWNER: CEDE & CO

PRINCIPAL AMOUNT: SEVENTY THOUSAND AND NO/100 DOLLARS ($70,000.00)

FESTIVAL RANCH COMMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA) (the "*District*"), for value received, hereby promises to pay to the registered owner identified above, or registered assigns as provided herein, on the maturity date set forth above, the principal amount set forth above, and to pay interest on the unpaid principal amount at the interest rate shown above.

This bond is subject to call for redemption prior to maturity in accordance with the terms hereinafter set forth.

Interest is payable on January 15 and July 15 of each year (each an "*Interest Payment Date*"), commencing January 15, 2017 and will accrue from the most recent date to which interest has been paid, or, if no interest has been paid, from the original dated date set forth above. Interest will be computed on the basis of a year comprised of 360 days consisting of twelve (12) months having thirty (30) days each.

Principal and interest are payable in lawful money of the United States of America. Interest will be paid by check payable to the order of and mailed to the registered owner when due at the address shown on the registration books maintained by the registrar at the close of business on the last day or, if not a business day, then the prior business day, of the calendar month next preceding the applicable Interest Payment Date (the "*Record Date*"). The principal will be paid when due to the registered owner upon surrender of this bond for payment at the designated office of the paying agent.

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

This bond is one of a series of bonds in the aggregate principal amount of $5,410,000 of like tenor except as to amount and number issued by the District to provide funds to make those certain acquisitions and public improvements approved by a majority vote of qualified electors voting at an election duly called and held in and for the District, pursuant to a resolution of the Board of Directors of the District duly adopted prior to the issuance hereof and pursuant to the Constitution and laws of the State of Arizona relative to the issuance and sale of general obligation bonds, and all amendments thereto, and all other laws of the State of Arizona.

For the punctual payment of this bond and the interest hereon and for the levy and collection of ad valorem taxes on all taxable property within the District sufficient for that purpose, the full faith and credit of the District are hereby irrevocably pledged.

Neither the full faith and credit nor the general taxing power of the City of Buckeye, Arizona, or the State of Arizona, or any political subdivision thereof (other than the District) is pledged to the payment of the bonds.

The bonds maturing on or after July 15, 2031 are subject to redemption prior to maturity, at the option of the District, on or after July 15, 2026, in whole or in part on any date, at the redemption price of the principal amount of the bonds or portion thereof being redeemed plus interest accrued to the date of redemption, but without premium.

The bonds maturing on July 15 of the following years will be redeemed on July 15 of the following years and in the following principal amounts at a price equal to the principal amount thereof plus interest accrued to the date of redemption, but without premium:

Year Redeemed	Principal Amount Redeemed
Term Bond Maturing 2031	
2027	$ 115,000
2028	120,000
2029	125,000
2030	130,000
2031 (maturity)	135,000
Term Bond Maturing 2036	
2032	$ 145,000
2033	205,000
2034	750,000
2035	1,360,000
2036 (maturity)	1,415,000

So long as the book-entry-only system is in effect, the registrar shall notify DTC of redemption in the manner required by DTC. If the book-entry-only system is discontinued, notice of redemption of any bond redeemed prior to its stated maturity date shall be mailed by first class mail to each registered owner of the bond or bonds not more than sixty (60) days nor less than thirty (30) days prior to the date set for redemption. Notice of redemption may be sent to any securities depository by mail, facsimile transmission, wire transmission or any other means of transmission of the notice generally accepted by the respective securities depository. The registrar also agrees to send notice of redemption to the Municipal Securities Rulemaking Board (the "MSRB"), currently through the MSRB's Electronic Municipal Market Access system in the manner required by the MSRB. Failure to properly give notice of redemption shall not affect the redemption of any bond for which notice was properly given. When so called for redemption, the bonds will cease to bear interest on the date fixed for redemption if on that date sufficient funds for such redemption are on deposit at the place of payment.

SPECIMEN

The registrar and the paying agent on the original issue date is Zions Bank, a division of ZB, National Association, Phoenix, Arizona. The registrar or the paying agent may be changed by the District without notice.

So long as the book-entry-only system is in effect, this bond is non-transferable. If the book-entry-only system is discontinued, this bond is transferable by the registered owner in person or by attorney duly authorized in writing at the designated office of the registrar upon surrender and cancellation of this bond, but only in the manner and subject to the limitation on transfer and upon payment of the charges provided in the authorizing resolution. Upon such transfer, a new bond or bonds of the same aggregate principal amount, maturity and interest rate will be issued to the transferee in exchange. The registrar may require an owner, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the authorizing resolution. Should this bond be submitted to the registrar for transfer during the period commencing after the close of business on the Record Date and continuing to and including the next subsequent Interest Payment Date, ownership will be transferred in the normal manner but the interest payment will be made payable to and mailed to the registered owner as shown on the registrar's books at the close of business on the Record Date.

The registrar may but need not register the transfer of a bond which has been selected for redemption and need not register the transfer of any bond for a period of fifteen (15) days before a selection of bonds to be redeemed; if the transfer of any bond which has been called or selected for call for redemption in whole or in part is registered, any notice of redemption which has been given to the transferor will be binding upon the transferee and a copy of the notice of redemption will be delivered to the transferee along with the bond or bonds.

Bonds of this series are issuable only in fully registered form in the denomination of $5,000 of principal each or integral multiples of $5,000 in excess thereof.

The District, the registrar and the paying agent may treat the registered owner of this bond as the absolute owner for the purpose of receiving principal and interest and for all other purposes and none of them shall be affected by any notice to the contrary.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and laws of the State of Arizona to exist, to occur and to be performed precedent to and in the issuance of this bond exist, have occurred and have been performed and that the series of bonds of which this is one, together with all other indebtedness of the District, is within every debt and other limit prescribed by the Constitution and laws of the State of Arizona, and that due provision has been made for the levy and collection of a direct, annual, ad valorem tax upon all of the taxable property in the District for the payment of this bond and of the interest hereon as each becomes due.

SPECIMEN

The District has caused this bond to be executed by the District Chairman of its Board of Directors and attested by its District Clerk, which signatures may be manual or by facsimile signatures. This bond is not valid or binding upon the District without the manually affixed signature of an authorized representative of the registrar.

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

District Chairman

ATTEST:

District Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION

This bond is one of the Festival Ranch Community Facilities District (City of Buckeye, Arizona) General Obligation Bonds, Series 2016, described in the resolution mentioned herein.

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

By_____
Authorized Representative

DATE: July 13, 2016.

STATEMENT OF INSURANCE

Build America Mutual Assurance Company ("*BAM*"), New York, New York, has delivered its municipal bond insurance policy (the "*Policy*") with respect to the scheduled payments due of principal of and interest on this Bond to Zions Bank, a division of ZB, National Association, Phoenix, Arizona, or its successor, as paying agent for the bonds (the "*Paying Agent*"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from BAM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these bonds, the owner acknowledges and consents to the subrogation and all other rights of BAM as more set forth in the Policy.

FORM OF ASSIGNMENT

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 - _____ (Custodian) 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 subject to the transfer restrictions described in the within Bond, 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 book kept for registration thereof, with full power of substitution in the premises.

DATED: _____

_____

Signature guarantee should be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Registrar and Paying Agent.

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.

ALL FEES AND TRANSFER COSTS SHALL BE PAID BY THE TRANSFEROR

SPECIMEN

The Depository Trust Company

A subsidiary of The Depository Trust & Clearing Corporation

BLANKET ISSUER LETTER OF REPRESENTATIONS

[To be Completed by Issuer]

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

[Name of Issuer]

October 18, 2005
[Date]

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

Ladies and Gentlemen:

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

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

Note:

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

Very truly yours,

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

By: C E Reynolds
(Authorized Officer's Signature)

Carroll Reynolds
(Print Name)

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)

Received and Accepted:
THE DEPOSITORY TRUST COMPANY

By: Denise Russo

DTCC

The Depository Trust & Clearing Corporation

[2/02]

SCHEDULE A

(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.

Form **8038-G**
(Rev. September 2011)
Department of the Treasury
Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)
▶ See separate instructions.
Caution: *If the issue price is under $100,000, use Form 8038-GC.*

OMB No. 1545-0720

Part I Reporting Authority

If **Amended Return**, check here ▶ ☐

1 Issuer's name Festival Ranch Community Facilities District (City of Buckeye, Arizona)	2 Issuer's employer identification number (EIN) 35-2264191
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) James T. Giel	3b Telephone number of other person shown on 3a 602-257-7422
4 Number and street (or P.O. box if mail is not delivered to street address) / Room/suite One E. Washington Street / 1600	5 Report number *(For IRS Use Only)* 3
6 City, town, or post office, state, and ZIP code Phoenix, Arizona 85004-2553	7 Date of issue 07/13/2016
8 Name of issue General Obligation Bonds, Series 2016	9 CUSIP number 315598 CQ3
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Larry Price, District Treasurer	10b Telephone number of officer or other employee shown on 10a 623-349-6164

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

11	Education	11	
12	Health and hospital	12	
13	Transportation	13	2,550,480
14	Public safety	14	
15	Environment (including sewage bonds)	15	
16	Housing	16	
17	Utilities	17	3,394,483
18	Other. Describe ▶	18	
19	If obligations are TANs or RANs, check only box 19a ▶ ☐ If obligations are BANs, check only box 19b ▶ ☐		
20	If obligations are in the form of a lease or installment sale, check box ▶ ☐		

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

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	07/15/2036	$ 5,944,963	$ 5,410,000	16.093 years	2.8755 %

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	5,944,963
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	0		
25	Proceeds used for credit enhancement	25	53,282		
26	Proceeds allocated to reasonably required reserve or replacement fund	26	0		
27	Proceeds used to currently refund prior issues	27	0		
28	Proceeds used to advance refund prior issues	28	0		
29	Total (add lines 24 through 28)			29	53,282
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	5,891,681

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

For Paperwork Reduction Act Notice, see separate instructions.

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 ▶		
c	Enter the name of the GIC provider ▶		
37	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	

38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the following information:

b Enter the date of the master pool obligation ▶

c Enter the EIN of the issuer of the master pool obligation ▶

d Enter the name of the issuer of the master pool obligation ▶

39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ ☑

40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐

41a If the issuer has identified a hedge, check here ▶ ☐ and enter the following information:

b Name of hedge provider ▶

c Type of hedge ▶

d Term of hedge ▶

42 If the issuer has superintegrated the hedge, check box ▶ ☐

43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶ ☑

44 If the issuer has established written procedures to monitor the requirements of section 148, check box ▶ ☑

45a If some portion of the proceeds was used to reimburse expenditures, check here ▶ ☐ and enter the amount of reimbursement ▶

b Enter the date the official intent was adopted ▶

Signature and Consent

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

Signature of issuer's authorized representative	Date	Type or print name and title
	July 13, 2016	Larry Price, District Treasurer

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
James T. Giel		07/13/2016		P01085621

Firm's name ▶	Gust Rosenfeld P.L.C.	Firm's EIN ▶	86-0688020
Firm's address ▶	One E. Washington, Suite 1600, Phoenix, AZ 85004	Phone no.	602-257-7422

$5,410,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS,
SERIES 2016
(BANK QUALIFIED)

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 August 4, 2016.

Report of Bond and Security Issuance

Pursuant to A.R.S. § 35-501B

This information is due to the Arizona State Treasurer's Office within 60 days of the issue.

1. Jurisdiction: FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA)	
2. Issue name/title: General Obligation Bonds, Series 2016 (Bank Qualified)	
3. Dated Date: July 13, 2016 Closing Date: July 13, 2016	4. Par Amount: $ 5,410,000
5. Overall Interest Rate (TIC OR NIC): 3.396283% (TIC)	6. Type of Bond or Security: General Obligation Bond
7. Repayment sources: Ad valorem taxes levied on all taxable property in the District	
8. Total amount outstanding: $18,640,000	9. Total amount outstanding of senior or subordinate bonds: $-0-
10. Original issue price: Attach Schedule 1 a. Par Amount (principal amount) $ 5,410,000	11. Total limitations (Constitutional or Statutory) on the type of bonds/securities issued: **For general obligation Bonds: $** a. Estimated full cash value: $493,239,270
b. Original Issue Discount (-) $(0.00)	b. Debt limit percentage: 60% of market value plus value of improvements
c. Premium Amount (+) $ 534,963.35	c. Total debt limit: Not less than $24,050,000
d. Original Issue Price (=) $ 5,944,963.35	12. Available debt limit: Not less than $-0-
e. Underwriter Compensation (Discount) (-) $ (98,480.00)	13. Total amount authorized: $175,000,000
f. Net Proceeds (=) $ 5,846,483.35	
14. Remaining authorized amount: $ 152,455,000	15. If voter authorized, election dates: 05/25/2005

15-18 Please attach 1) a schedule providing a detailed listing of Issue Costs; 2) the Debt Service Schedule; 3) Form 8038; and 4) the Final Official Statement. Please refer to instructions.

Signature

July 13, 2016
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

Zions Bank, a division of ZB, National Association
6001 N. 24th St.
Phoenix, Arizona 85016
602-257-5433

Political Subdivision Contact Name, address, 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 State Treasurer's Office
Office of Project and Research
1700 W. Washington St.
Phoenix, AZ 85007

DSC:dlh 2719071.2 7/1/2016

Arizona State Treasurer's Office
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 (CITY OF BUCKEYE, ARIZONA), GENERAL OBLIGATION BONDS, SERIES 2016 (BANK QUALIFIED)**

Par Amount: $5,410,000

Date Closed: July 13, 2016

Maturity Date (July 15)	Par Amount (Principal Amount) 10a	Coupon Rate	Yield	Original Issue Price	Premium or Discount 10b or 10c
2017	$ 70,000.00	2.00%	1.05%	$ 70,662.90	$ 662.90
2018	75,000.00	2.00	1.19	76,200.00	1,200.00
2019	80,000.00	3.00	1.38	83,802.40	3,802.40
2020	85,000.00	3.00	1.53	89,836.50	4,836.50
2021	90,000.00	4.00	1.71	99,846.90	9,846.90
2022	95,000.00	4.00	1.86	106,500.70	11,500.70
2023	100,000.00	4.00	2.01	112,943.00	12,943.00
2024	100,000.00	4.00	2.11	113,854.00	13,854.00
2025	105,000.00	4.00	2.21	120,271.20	15,271.20
2026	110,000.00	4.00	2.31	126,522.00	16,522.00
2031	625,000.00	4.00	2.66*	698,143.75	73,143.75
2036	3,875,000.00	4.00	2.89*	4,246,380.00	371,380.00
TOTAL	**$5,410,000.00**			**$5,944,963.35**	**$534,963.35**
10e Underwriter's Discount and/or Placement Agent Fee, if any				$98,480.00	
10f Net Proceeds (as shown on issuance form)				$5,846,483.35	

*Yield calculated to first optional redemption date of July 15, 2026.

DSC:dlh 2719071.2 7/1/2016

Name of Issue: **FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT (CITY OF BUCKEYE, ARIZONA), GENERAL OBLIGATION BONDS, SERIES 2016**

Costs of Issuance

Underwriter's counsel fee	$ 22,000.00
Financial Advisor	40,000.00
Bond counsel's fee	37,960.00
Bond Insurance Premium	53,282.26
Registrar, transfer agent and paying agent fees	2,500.00
Rating agency fees (Standard & Poor's)	13,500.00
Official Statement printing	17,500.00
Miscellaneous	5,440.00
TOTAL	$192,182.26

* The costs of issuance, including the Underwriter's discount equal to $98,480.00, were paid from a contribution from Pulte Home Corporation equal to $237,380.00, and not from the proceeds of the Bonds.

BOND DEBT SERVICE

Festival Ranch Community Facilities District
(City of Buckeye, Arizona)
General Obligation Bonds, Series 2016
(Bank Qualified)
FINAL

Dated Date	07/13/2016
Delivery Date	07/13/2016

Period Ending	Principal	Interest	Debt Service	Annual Debt Service
01/15/2017		107,101.94	107,101.94	
07/15/2017	70,000	105,925.00	175,925.00	283,026.94
01/15/2018		105,225.00	105,225.00	
07/15/2018	75,000	105,225.00	180,225.00	285,450.00
01/15/2019		104,475.00	104,475.00	
07/15/2019	80,000	104,475.00	184,475.00	288,950.00
01/15/2020		103,275.00	103,275.00	
07/15/2020	85,000	103,275.00	188,275.00	291,550.00
01/15/2021		102,000.00	102,000.00	
07/15/2021	90,000	102,000.00	192,000.00	294,000.00
01/15/2022		100,200.00	100,200.00	
07/15/2022	95,000	100,200.00	195,200.00	295,400.00
01/15/2023		98,300.00	98,300.00	
07/15/2023	100,000	98,300.00	198,300.00	296,600.00
01/15/2024		96,300.00	96,300.00	
07/15/2024	100,000	96,300.00	196,300.00	292,600.00
01/15/2025		94,300.00	94,300.00	
07/15/2025	105,000	94,300.00	199,300.00	293,600.00
01/15/2026		92,200.00	92,200.00	
07/15/2026	110,000	92,200.00	202,200.00	294,400.00
01/15/2027		90,000.00	90,000.00	
07/15/2027	115,000	90,000.00	205,000.00	295,000.00
01/15/2028		87,700.00	87,700.00	
07/15/2028	120,000	87,700.00	207,700.00	295,400.00
01/15/2029		85,300.00	85,300.00	
07/15/2029	125,000	85,300.00	210,300.00	295,600.00
01/15/2030		82,800.00	82,800.00	
07/15/2030	130,000	82,800.00	212,800.00	295,600.00
01/15/2031		80,200.00	80,200.00	
07/15/2031	135,000	80,200.00	215,200.00	295,400.00
01/15/2032		77,500.00	77,500.00	
07/15/2032	145,000	77,500.00	222,500.00	300,000.00
01/15/2033		74,600.00	74,600.00	
07/15/2033	205,000	74,600.00	279,600.00	354,200.00
01/15/2034		70,500.00	70,500.00	
07/15/2034	750,000	70,500.00	820,500.00	891,000.00
01/15/2035		55,500.00	55,500.00	
07/15/2035	1,360,000	55,500.00	1,415,500.00	1,471,000.00
01/15/2036		28,300.00	28,300.00	
07/15/2036	1,415,000	28,300.00	1,443,300.00	1,471,600.00
	5,410,000	3,470,376.94	8,880,376.94	8,880,376.94

Form **8038-G**
(Rev. September 2011)
Department of the Treasury
Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)
▶ See separate instructions.
Caution: *If the issue price is under $100,000, use Form 8038-GC.*

OMB No. 1545-0720

Part I Reporting Authority — If Amended Return, check here ▶ ☐

1 Issuer's name: Festival Ranch Community Facilities District (City of Buckeye, Arizona)
2 Issuer's employer identification number (EIN): 35-2264191
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions): James T. Giel
3b Telephone number of other person shown on 3a: 602-257-7422
4 Number and street (or P.O. box if mail is not delivered to street address): One E. Washington Street — Room/suite: 1600
5 Report number *(For IRS Use Only)*: 3
6 City, town, or post office, state, and ZIP code: Phoenix, Arizona 85004-2553
7 Date of issue: 07/13/2016
8 Name of issue: General Obligation Bonds, Series 2016
9 CUSIP number: 315598 CQ3
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions): Larry Price, District Treasurer
10b Telephone number of officer or other employee shown on 10a: 623-349-6164

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

11	Education	11	
12	Health and hospital	12	
13	Transportation	13	2,550,480
14	Public safety	14	
15	Environment (including sewage bonds)	15	
16	Housing	16	
17	Utilities	17	3,394,483
18	Other. Describe ▶	18	
19	If obligations are TANs or RANs, check only box 19a ▶ ☐		
	If obligations are BANs, check only box 19b ▶ ☐		
20	If obligations are in the form of a lease or installment sale, check box ▶ ☐		

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

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	07/15/2036	$ 5,944,963	$ 5,410,000	16.093 years	2.8755 %

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	5,944,963
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	0		
25	Proceeds used for credit enhancement	25	53,282		
26	Proceeds allocated to reasonably required reserve or replacement fund	26	0		
27	Proceeds used to currently refund prior issues	27	0		
28	Proceeds used to advance refund prior issues	28	0		
29	Total (add lines 24 through 28)			29	53,282
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	5,891,681

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

Part VI Miscellaneous

35	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 ▶			
c	Enter the name of the GIC provider ▶			
37	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37		

38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the following information:

b Enter the date of the master pool obligation ▶

c Enter the EIN of the issuer of the master pool obligation ▶

d Enter the name of the issuer of the master pool obligation ▶

39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ ☑

40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐

41a If the issuer has identified a hedge, check here ▶ ☐ and enter the following information:

b Name of hedge provider ▶

c Type of hedge ▶

d Term of hedge ▶

42 If the issuer has superintegrated the hedge, check box ▶ ☐

43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶ ☑

44 If the issuer has established written procedures to monitor the requirements of section 148, check box ▶ ☑

45a If some portion of the proceeds was used to reimburse expenditures, check here ▶ ☐ and enter the amount of reimbursement ▶

b Enter the date the official intent was adopted ▶

Signature and Consent

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

▶ Signature of issuer's authorized representative — Date: July 13, 2016 — ▶ Larry Price, District Treasurer (Type or print name and title)

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
James T. Giel		07/13/2016		P01085621

Firm's name ▶	Gust Rosenfeld P.L.C.	Firm's EIN ▶	86-0688020
Firm's address ▶	One E. Washington, Suite 1600, Phoenix, AZ 85004	Phone no.	602-257-7422

OFFICIAL STATEMENT DATED JUNE 23, 2016

NEW ISSUE - BOOK-ENTRY-ONLY RATING: STANDARD & POOR'S - "AA" See "RATINGS" herein.
INSURANCE: See "BOND INSURANCE" and "RISK FACTORS RELATED TO BOND INSURANCE" herein.

In the opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming continuing compliance with certain restrictions, conditions and requirements by the District, as mentioned under "TAX EXEMPTION" herein, interest income on the Bonds is excluded from gross income for federal income tax purposes. Interest income on the Bonds is not an item of tax preference to be included in computing the alternative minimum tax of individuals or corporations; however, such interest income must be taken into account for federal income tax purposes as an adjustment to alternative minimum taxable income for certain corporations, which income is subject to the federal alternative minimum tax. In the opinion of Bond Counsel, interest income on the Bonds is exempt from Arizona income taxes. See "TAX EXEMPTION" and "BOND PREMIUM" herein.

The Board of Directors of the District has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended, which relates to the ability of certain financial institutions to deduct interest expense allocable to holding and carrying tax-exempt obligations for federal income tax purposes. Representatives of the Board of Directors of the District will represent and warrant that they do not anticipate that the aggregate amount of tax-exempt obligations that will be issued by or on behalf of the District in calendar year 2016 will exceed $10,000,000.

$5,410,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2016
(BANK QUALIFIED)

Dated: Date of Initial Delivery *Due: As shown on the inside front cover page*

The $5,410,000 principal amount of Festival Ranch Community Facilities District (City of Buckeye, Arizona) General Obligation Bonds, Series 2016 (the "Bonds") will be issued in the form of fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available initially to ultimate purchasers through the book-entry-only system maintained by DTC in amounts of $5,000 of principal amount or integral multiples in excess thereof due on specified maturity dates. Interest on the Bonds (except defaulted interest, if any) will be paid semiannually on each January 15 and July 15 of each year, commencing January 15, 2017. Payments of principal and interest will be paid by wire transfer to DTC for subsequent disbursements to DTC participants which will remit such payments to the beneficial owners of the Bonds. See APPENDIX C - "BOOK-ENTRY-ONLY SYSTEM."

SEE INSIDE FRONT COVER PAGE FOR MATURITY SCHEDULE

The Bonds are authorized pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended, and an election held on May 25, 2005, in and for Festival Ranch Community Facilities District, a community facilities district formed within the boundaries of the City of Buckeye, Arizona (the "District") and will be issued pursuant to a resolution of the Board of Directors of the District adopted on May 17, 2016. The Bonds will be payable as to both principal and interest from *ad valorem* taxes to be levied on all taxable property within the boundaries of the District, without limitation as to rate or amount. See "SECURITY FOR AND SOURCES OF PAYMENT."

Certain of the Bonds will be subject to optional redemption prior to their stated maturity dates as described under "THE BONDS – Redemption Provisions" herein.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY.**

Proceeds of the sale of the Bonds will be used to finance the acquisition of certain public infrastructure by the District, and pay costs of issuance for the Bonds.

Investment in the Bonds involves certain risks that each prospective investor should consider prior to investing. See "SECURITY FOR AND SOURCES OF PAYMENT" and "RISK FACTORS" herein.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF BUCKEYE, ARIZONA, THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) IS PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS WILL BE OBLIGATIONS OF THE DISTRICT ONLY. NONE OF THE CITY OF BUCKEYE, ARIZONA, THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) WILL HAVE ANY OBLIGATION WITH RESPECT TO DEBT SERVICE FOR THE BONDS.

The Bonds are offered when, as and if issued by the District and subject to the approval of Gust Rosenfeld P.L.C., Phoenix, Arizona, Bond Counsel. Certain legal matters will be passed upon for the District by its counsel, Gust Rosenfeld P.L.C., Phoenix, Arizona, for the Underwriter by its counsel, Greenberg Traurig, LLP, Phoenix, Arizona, and for Pulte Home Corporation by its counsel, Berens, Kozub, Kloberdanz & Blonstein, PLC, Scottsdale, Arizona. It is expected that delivery of the Bonds will be made through the facilities of DTC on or about July 13, 2016.

This cover page contains certain information for general reference only. It is not a summary of the issue of which the Bonds are a part. Investors are advised to read this Official Statement in its entirety to obtain information essential to the making of an informed investment decision with respect to the Bonds.

STIFEL

$5,410,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2016
(BANK QUALIFIED)

MATURITY SCHEDULE
Base CUSIP®[1] No. 315598

Maturity Date (July 15)	Principal Amount	Interest Rate	Yield	CUSIP®[1] No. 315598
2017	$ 70,000	2.00 %	1.05 %	CE0
2018	75,000	2.00	1.19	CF7
2019	80,000	3.00	1.38	CG5
2020	85,000	3.00	1.53	CH3
2021	90,000	4.00	1.71	CJ9
2022	95,000	4.00	1.86	CK6
2023	100,000	4.00	2.01	CL4
2024	100,000	4.00	2.11	CM2
2025	105,000	4.00	2.21	CN0
2026	110,000	4.00	2.31	CR1

$625,000 Term Bonds @ 4.00% Due July 15, 2031 - Yield 2.66%* CUSIP® No. 315598 CP5
$3,875,000 Term Bonds @ 4.00% Due July 15, 2036 - Yield 2.89%* CUSIP® No. 315598 CQ3

* Yield to July 1, 2026, the first optional redemption date.

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[1] *CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright© 2016 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, Bond Counsel, the Financial Advisor, the Underwriter or their agents or counsel assumes responsibility for the accuracy of such numbers.*

$5,410,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS,
SERIES 2016
(BANK QUALIFIED)

CERTIFICATE OF MAILING

I hereby certify and declare that I hand-delivered the Reports of Bond and Security Issuance for the above-captioned financing, addressed to the Arizona State Treasurer's Office, Office of Project and Research, 1700 W. Washington Street, Phoenix, AZ 85007, on August 4, 2016.

MUNICIPAL BOND INSURANCE POLICY

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

Policy No: 2016B0498

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

Effective Date: July 13, 2016

BONDS: $5,410,000 in aggregate principal
amount of General Obligation Bonds, Series 2016

Risk Premium:	$21,640.00
Member Surplus Contribution:	$31,642.26
Total Insurance Payment:	$53,282.26

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall

elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

IN WITNESS WHEREOF, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____

Authorized Officer

Schedule A

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com

Address:
200 Liberty Street, 27th floor
New York, New York 10281

Telecopy:
212-962-1524 (attention: Claims)

SUPPLEMENTAL AGREEMENT
BETWEEN
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
AND
BUILD AMERICA MUTUAL ASSURANCE COMPANY

THIS SUPPLEMENTAL AGREEMENT (this "*Agreement*") is entered into as of July 1, 2016, between Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "*District*"), and Build America Mutual Assurance Company, a New York mutual insurance corporation (as further defined below, "*BAM*").

RECITALS

A. The District adopted Resolution No. 04-16 on May 17, 2016 (the "*Bond Resolution*") authorizing the issuance of $5,410,000 aggregate principal amount of the District's General Obligation Bonds, Series 2016 (the "*Bonds*"), the purchase of bond insurance or other credit enhancement in connection therewith, and certain District officers to enter into any obligations or agreements on behalf of the District to repay amounts paid on such bond insurance or other credit enhancement by the provider thereof.

B. BAM provided that certain Municipal Bond Insurance Commitment dated June 9, 2016 offering bond insurance for the Bonds (the "*Commitment*").

C. The District desires to purchase a policy of bond insurance pursuant to the Commitment (as further defined below, the "*Policy*"), and the District and BAM desire to enter into this Agreement to provide a portion of the consideration for the Policy in addition to the Insurance Payment specified in the Commitment.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by reference, the following mutual covenants and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the District and BAM hereby agree as follows:

1. Notice and Other Information to be given to BAM. The District, Zions Bank, a Division of ZB, National Association, as Registrar and Paying Agent (the "*Registrar*"), or David Taussig & Associates, as Dissemination Agent, as the case may be, will provide BAM with all notices and other information the District is obligated to provide to the holders of the Bonds under the Bond Resolution. Notwithstanding the foregoing, the failure of BAM to receive any notice will not affect the validity of the proceedings noticed thereby for which proper notice was given.

The notice address of BAM is: Build America Mutual Assurance Company, 200 Liberty Street, 27th Floor, New York, NY 10281, Attention: Surveillance, Re: Policy No. 2016B0498, Telephone: (212) 235-2500, Telecopier: (212) 235-1542, Email: notices@buildamerica.com. In each case in which notice or other communication refers to an event of default or a claim on the Policy, then a copy of such notice or other communication shall also be sent to the attention of the General

Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 235-5214 and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

2. Amendments, Supplements and Consents. After any of the Bonds are authenticated and delivered upon receipt of payment therefor pursuant to the Bond Resolution, the Bond Resolution shall be and remain irrepealable until the Bonds and the interest thereon shall have been fully paid, canceled and discharged. Wherever the Bond Resolution requires the consent of Bondholders, if at all, BAM's consent shall also be required. In addition, any proposed amendment, supplement or modification to the Bond Resolution that adversely affects the rights or interests of BAM shall be subject to the prior written consent of BAM and shall be subject to final approval and adoption by the District in its sole and absolute discretion. Anything in the Bond Resolution to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, BAM shall be deemed to be the sole holder of the Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Bonds or the Registrar for the benefit of such holders. The Registrar may not waive any default or event of default without BAM's written consent. The Bonds do not contain any acceleration rights upon an event of default.

3. BAM As Third Party Beneficiary. BAM is explicitly recognized as and shall be deemed to be a third party beneficiary of the Bond Resolution and may enforce any right, remedy or claim conferred, given or granted thereunder.

4. Policy Payments.

a. In the event that principal and/or interest due on the Bonds shall be paid by BAM pursuant to the Policy, the Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the District, the pledge of *ad valorem* property taxes in an amount sufficient to pay Debt Service (as defined pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes) as security for the Bonds and all covenants, agreements and other obligations of the District to the beneficial owners shall continue to exist and shall run to the benefit of BAM, and BAM shall be subrogated to the rights of such beneficial owners including, without limitation, any rights that such beneficial owners may have in respect of securities law violations arising from the offer and sale of the Bonds; provided, however, that any damages shall be limited to amounts actually paid by BAM in respect of such violations, if any.

b. The District agrees for the benefit of BAM that:

i. It recognizes that to the extent BAM makes payments directly or indirectly (e.g., by paying through a paying agent), on account of principal of or interest on the Bonds, BAM will be subrogated to the rights of such holders to receive the amount of such principal and interest from the District, with interest thereon, as provided and solely from the sources stated in the Bond Resolution and the Bonds; and

ii. It will accordingly pay to BAM the amount of such principal and interest, with interest thereon, but only from the sources and in the manner provided in the Bond Resolution and the Bonds for the payment of principal of and interest on the Bonds to holders, and will otherwise treat BAM as the owner of such rights to the amount of such principal and interest.

c. *Special Provisions for Insurer Default:* If an Insurer Default (as hereinafter defined) shall occur and be continuing, then, notwithstanding anything in paragraph (b) above to the contrary, (1) if at any time prior to or following an Insurer Default, BAM has made payment under the Policy, to the extent of such payment BAM shall be treated like any other holder of the Bonds for all purposes under the Bond Resolution, and (2) if BAM has not made any payment under the Policy, BAM shall have no further consent rights until the particular Insurer Default is no longer continuing or BAM makes a payment under the Policy, in which event, the foregoing clause (1) shall control. For purposes of this paragraph (c), "Insurer Default" means: (A) BAM has failed to make any payment under the Policy when due and owing in accordance with its terms; or (B) BAM shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality shall order the suspension of payments on the Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of BAM (including without limitation under the New York Insurance Law).

5. Definitions.

a. "BAM" shall mean Build America Mutual Assurance Company, or any successor thereto.

b. "Policy" shall mean the Municipal Bond Insurance Policy No. 2016B0498 issued by BAM that guarantees the scheduled payment of principal of and interest on the Bonds when due.

[Signature Page to Follow]

Dated as of July 1, 2016.

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

By_____
Larry Price, District Treasurer

ATTEST:

_____
District Clerk

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By_____

DSC:dlh 2719074.2 7/1/2016

Dated as of July 1, 2016.

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

By_____
Larry Price, District Treasurer

ATTEST:

_____
District Clerk

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By_____

DSC:dlh 2719074.2 7/1/2016

Zions Bank, a division of ZB, National Association, the Registrar and the Paying Agent, accepts and acknowledges the provisions set forth in Sections 1, 2 and 3 hereof.

ZIONS BANK, A DIVISION OF ZB, NATIONAL ASSOCIATION

By_____
Authorized Representative

DSC:dlh 2719074.2 7/1/2016

PROCEDURES FOR PAYMENT TO BAM

BAM's issuance of its municipal bond insurance policy at bond closing is contingent upon payment and receipt of the insurance fees. NO POLICY MAY BE RELEASED UNTIL PAYMENT OF SUCH AMOUNT HAS BEEN CONFIRMED. Set forth below are the procedures to be followed for confirming the amount of the insurance fees to be paid and for paying such amount:

Upon determination of the final debt service schedule, email or fax such schedule to the appropriate BAM Underwriter

Name: Jason Tejada

Email: jtejada@buildamerica.com

Confirm with the individual in our underwriting department that you are in agreement with respect to par and insurance fees on the transaction prior to the closing date.

Payment Date: Date of Delivery of the Insured Bonds.

Method of Payment: Wire transfer of Federal Funds.

Wire Transfer Instructions:

Bank: First Republic Bank
ABA#: 321081669
Acct. Name: Build America Mutual Assurance Company
Account No.: 80001613703
Policy No.: 2016B0498 (Include in OBI Field)

CONFIRMATION OF PAYMENT

BAM will accept as confirmation of the payment a wire transfer number and the name of the sending bank, to be communicated to the Closing Coordinator on the closing date:

Nolan Miller 212-235-2511

DISCLOSURE, NO DEFAULT AND TAX CERTIFICATE OF BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM Policy No.: 2016B0498

BONDS: $5,410,000 in aggregate principal amount of
Festival Ranch Community Facilities District (City of Buckeye, Arizona)
General Obligation Bonds, Series 2016

Date of the Official Statement: June 23, 2016

The undersigned hereby certifies on behalf of BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), in connection with the issuance by BAM of its Policy referenced above (the "Policy") in respect of the Bonds referenced above (the "Bonds") that:

(i) The information set forth under the caption "BOND INSURANCE-BUILD AMERICA MUTUAL ASSURANCE COMPANY" in the official statement referenced above, relating to the Bonds (the "Official Statement") is true and correct;

(ii) BAM is not currently in default nor has BAM ever been in default under any policy or obligation guaranteeing the payment of principal of or interest on an obligation;

(iii) The Policy is an unconditional and recourse obligation of BAM (enforceable by or on behalf of the holders of the Bonds) to pay the scheduled principal of and interest on the Bonds when due in the event of Nonpayment by the Issuer (as set forth in the Policy);

(iv) The insurance payment (inclusive of the sum of the Risk Premium and the Member Surplus Contribution) (the "Insurance Payment") is solely a charge for the transfer of credit risk and was determined in arm's length negotiations and is required to be paid to BAM as a condition to the issuance of the Policy;

(v) BAM will, for federal income tax purposes, treat the Insurance Payment as solely in consideration for the insurance risk it assumes in the Policy and not as consideration for an investment in BAM or its assets;

(vi) No portion of such Insurance Payment represents an indirect payment of costs of issuance, including rating agency fees, other than fees paid by BAM to maintain its rating, which, together with all other overhead expenses of BAM, are taken into account in the formulation of its rate structure, or for the provision of additional services by BAM, or represents a direct or indirect payment for any goods or services provided to the Issuer (including the right to receive a dividend), or the direct or indirect payment for a cost, risk or other element that is not customarily borne by insurers of tax-exempt bonds (in transactions in which the guarantor has no involvement other than as a guarantor);

(vii) BAM is not providing any services in connection with the Bonds other than providing the Policy, and except for the Insurance Payment, BAM will not use any portion of the Bond proceeds;

(viii) Except for payments under the Policy in the case of Nonpayment by the Issuer, there is no obligation to pay any amount of principal or interest on the Bonds by BAM;

(ix) (a) BAM has not paid any dividends to date, (b) BAM's Board of Directors has resolved that BAM's priorities for surplus, as it accumulates, will be to preserve capital strength and claims paying resources for the benefit of its members and secondarily to return value by reducing premiums charged for its insurance, and (c) BAM has no current expectation that any dividends will be paid;

(x) BAM does not expect that a claim or any other payment will be made on or with respect to the Policy or by BAM to the Issuer; and

(xi) Neither the Issuer nor any other Obligor is entitled to a refund of the Insurance Payment for the Policy in the event a Bond is retired before the final maturity date.

BAM makes no representation as to the nature of the interest to be paid on the Bonds or the treatment of the Policy under Section 1.148-4(f) of the Income Tax Regulations.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

Dated: July 13, 2016

BAM

Primary Market Disclosure Certificate

Festival Ranch Community Facilities District (City of Buckeye, Arizona)
General Obligation Bonds, Series 2016 (the "Insured Bonds")

For the benefit of Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "Issuer"), and acknowledging that the Issuer will be relying on the contents hereof in addressing certain tax and disclosure items and for other matters, Build America Mutual Assurance Company ("Build America") makes the following representations and warranties as of the date hereof:

1. Neither Build America nor any affiliate of Build America has purchased, or has committed to purchase, any of the Insured Bonds, whether at the initial offering or otherwise;
2. Neither Build America nor any affiliate of Build America has entered into any agreement or understanding regarding the purchase or sale of the Insured Bonds, except for the insurance policies that Build America has provided regarding payments due under the Insured Bonds and the documentation associated with said insurance policies.

For the purposes of this certificate, "affiliate of Build America" means a person or entity that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, Build America.

July 13, 2016

Build America Mutual Assurance Company

By: _____
Authorized Officer

S&P Global
Ratings

55 Water Street, 38th Floor
New York, NY 10041-0003
tel 212 438-2074
reference no.: 808477

June 23, 2016

Build America Mutual Assurance Company
1 World Financial Center- 27th FL.
200 Liberty Street
New York, NY 10281
Attention: Ms. Laura Levenstein, Chief Risk Officer

Re: ***$5,410,000 Festival Ranch Community Facilities District (City of Buckeye, Arizona) General Obligation Bonds, Series 2016, dated: Date of Delivery, due: July 15, 2017-2026, 2031, 2036, (POLICY #2016B0498)***

Dear Ms. Levenstein:

S&P Global Ratings has reviewed the rating on the above-referenced obligations. After such review, we have changed the rating from "BBB" to "AA" on the above obligations. The rating on the above obligations is based on the policy provided by your company.

We may adjust the underlying rating and the capital charge as a result of changes in the financial position of the issuer or performance of the collateral, or of amendments to the documents governing the issue, as applicable. With respect to the latter, please notify us of any changes or amendments over the term of the debt.

The credit ratings and other views of S&P Global Ratings are statements of opinion and not statements of fact. Credit ratings and other views of S&P Global Ratings are not recommendations to purchase, hold, or sell any securities and do not comment on market price, marketability, investor preference or suitability of any security. While S&P Global Ratings bases its credit ratings and other views on information provided by issuers and their agents and advisors, and other information from sources it believes to be reliable, S&P Global Ratings does not perform an audit, and undertakes no duty of due diligence or independent verification, of any information it receives. Such information and S&P Global Ratings' opinions should not be relied upon in making any investment decision. S&P Global Ratings does not act as a "fiduciary" or an investment advisor. S&P Global Ratings neither recommends nor will recommend how an issuer can or should achieve a particular credit rating outcome nor provides or will provide consulting, advisory, financial or structuring advice.

S&P Global Ratings is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at www.standardandpoors.com. If you have any questions, please contact us. Thank you for choosing S&P Global Ratings.

Sincerely yours,

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S&P Global Ratings
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No Third Party Beneficiaries. Nothing in any credit rating engagement, or a credit rating when issued, is intended or should be construed as creating any rights on behalf of any third parties, including, without limitation, any recipient of a credit rating. No person is intended as a third party beneficiary of any credit rating engagement or of a credit rating when issued.

S&P Global
Ratings

One California Street, 31st Floor
San Francisco, CA 94111-5432
tel 415 371-5000
reference no.: 1435835

May 25, 2016

Festival Ranch Community Facilities District
Town of Buckeye
530 East Monroe Avenue
Buckeye, AZ 85326
Attention: Mr. Larry Price, District Treasurer

Re: ***US$5,500,000 Festival Ranch Community Facilities District, Arizona, General Obligation Bonds, Series 2016, dated: Date of delivery, due: July 15, 2036***

Dear Mr. Price:

Pursuant to your request for an S&P Global Ratings rating on the above-referenced obligations, S&P Global Ratings has assigned a rating of "BBB". S&P Global Ratings views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

This letter constitutes S&P Global Ratings' permission for you to disseminate the above-assigned ratings to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements) will become effective only after we have released the rating on standardandpoors.com. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable.

To maintain the rating, S&P Global Ratings must receive all relevant financial and other information, including notice of material changes to financial and other information provided to us and in relevant documents, as soon as such information is available. Relevant financial and other information includes, but is not limited to, information about direct bank loans and debt and debt-like instruments issued to, or entered into with, financial institutions, insurance companies and/or other entities, whether or not disclosure of such information would be required under S.E.C. Rule 15c2-12. You understand that S&P Global Ratings relies on you and your agents and advisors for the accuracy, timeliness and completeness of the information submitted in connection with the rating and the continued flow of material information as part of the surveillance process. Please send all information via electronic delivery to: pubfin_statelocalgovt@spglobal.com. If SEC rule 17g-5 is applicable, you may post such information on the appropriate website. For any information not available in electronic format or posted on the applicable website,

Please send hard copies to:
S&P Global Ratings
Public Finance Department

55 Water Street
New York, NY 10041-0003

The rating is subject to the Terms and Conditions, if any, attached to the Engagement Letter applicable to the rating. In the absence of such Engagement Letter and Terms and Conditions, the rating is subject to the attached Terms and Conditions. The applicable Terms and Conditions are incorporated herein by reference.

S&P Global Ratings is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at www.standardandpoors.com. If you have any questions, please contact us. Thank you for choosing S&P Global Ratings.

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a division of Standard & Poor's Financial Services LLC

dm
enclosures
cc: Ms. Andrea Laning, OS Typist
Stifel Nicolaus & Company

S&P Global
Ratings

S&P Global Ratings
Terms and Conditions Applicable To Public Finance Credit Ratings

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S&P Global
Ratings

RatingsDirect®

Summary:

Festival Ranch Community Facilities District, Arizona; General Obligation

Primary Credit Analyst:
Alyssa B Farrell, Centennial (1) 303-721-4184; alyssa.farrell@spglobal.com

Secondary Contact:
Sarah Sullivant, Austin 415-371-5051; sarah.sullivant@spglobal.com

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Summary:

Festival Ranch Community Facilities District, Arizona; General Obligation

Credit Profile		
US$5.5 mil GO bnds ser 2016 due 07/15/2036		
Long Term Rating	BBB/Stable	New
Festival Ranch Comnty Facs Dist GO (BAM)		
Unenhanced Rating	BBB(SPUR)/Stable	Affirmed
Festival Ranch Comnty Facs Dist GO		
Long Term Rating	BBB/Stable	Affirmed

Rationale

S&P Global Ratings assigned its 'BBB' long-term rating to Festival Ranch Community Facilities District (Buckeye), Ariz.'s series 2016 general obligation (GO) bonds. At the same time, we affirmed our 'BBB' long-term rating and underlying rating (SPUR) on the district's existing GO bonds. The outlook is stable.

The bonds are secured by revenue from an unlimited ad valorem tax levied on all taxable property within the district. We understand that series 2016 bond proceeds will be used to acquire public infrastructure.

The rating reflects our view of the district's:

- Relatively small tax base in the growing stages of development;
- Low to adequate available fund balances for operations and GO debt service;
- High direct ($3.12) and overlapping ($13.73) levy rate per $100 of assessed valuation (AV); and
- Moderate overall net debt burden.

Partly offsetting the above weaknesses, in our view, are the district's:

- Strong historical tax base growth, with limited losses due to the housing market downturn;
- Participation in the large and diverse Phoenix metropolitan statistical area; and
- Limited operating costs.

The district does not differentiate in its CFD financial statements, which are not separately audited, between fund balances available for GO debt service and special assessment bonds. However, we have attempted to separate the debt service figures available for GO debt service exclusively. The district has historically reported that it does not expect to carry reserves beyond what is needed for current debt service, to comply with its interpretation of the state requirements put in place to lower the taxpayer burden.

Festival Ranch Community Facilities District is a special-purpose, tax-levying public improvement district located in, but separate from, the city of Buckeye. Formed in April 2005, the 4,015-acre district is 34 miles west of downtown

Phoenix at the city's north edge, just off of the Sun Valley Parkway. The district reports that its residents are primarily active adults, which make up about 80% of home closings, with the remainder being conventional. The estimated population within the district is about 9,000 in fiscal 2016.

The special-purpose district was established primarily as a financing vehicle to fund public infrastructure needed for development of district land, and has limited operational needs that are funded through a historical tax levy of 30 cents per $100 of AV. The master developer, Pulte, completes the improvements and seeks reimbursement from the district thereafter. At buildout, the district will be primarily single-family homes (3,190 acres), with two planned golf courses and recreation centers (475 acres), and commercial-use development (350 acres).

Based on Pulte's planned residential buildout of about 8,550 homes, we consider the district to be in the growing stages development, being about 50% developed, according to management. The district's tax base is very diverse, in our view, with the 10 largest taxpayers accounting for 10.2% of AV in fiscal 2016. Pulte, the district's largest taxpayer, comprises roughly 7.8% of total AV. We note that no other taxpayer accounts for more than 1% of total AV.

Residential development in the district slowed during the recent recession, with annual home closings declining from a peak of 660 in fiscal 2008 to roughly 130 in fiscal year 2013. The number of homes that closed has increased in recent years and reached 214 in fiscal 2015. Pulte projects between 225 and 250 homes will close in fiscal 2016 and estimates modest growth during the next two years. In total, 2,649 homes have closed as of March 2016.

The district's secondary assessed value (SAV), which was used in determining property tax levies for debt service payments, showed a single year of decline in fiscal 2011 and has since recovered. Starting in fiscal 2016, the AV used statewide to levy secondary taxes will be the net limited AV instead of the SAV. The district's fiscal 2016 net limited AV amounted to $46.5 million, which is 8.9% higher than the fiscal 2015 SAV of $42.7 million. Fiscal 2016's full cash value (equal to market value or MV) for the district stood at approximately $493.2 million.

We consider the district's financial position and liquidity to be low in fiscal 2015. Ending cash in the maintenance and operation (M&O) fund in fiscal 2015 was equal to roughly 9% of annual operating and administrative expenditures. Management indicates that the lower fund balance in fiscal 2015 is primarily due to additional expenses related to the wastewater treatment plant. For fiscal 2016, the district has budgeted for an ending M&O fund balance of about 45% of operating expenditures, which we consider adequate. Operating expenses consist primarily of contributions to the city of Buckeye for the provision of fire, sewer, and water services and administrative overhead.

According to management, the district held cash reserves of roughly $551,000 available for debt service on all bonds, inclusive of the special assessment bonds, in fiscal 2015. For the GO bonds alone, the district's debt service fund balance at July 1, 2015 was $142,015, or 11.6% of annual debt service. In fiscal 2016, the district has budgeted for a debt service fund balance of $110,683, which equates to roughly 9% of annual debt service. The district has significantly lowered its reserve levels in recent years as part of a strategy to maintain low tax rates. Higher reserves, in our view, reduce the risk associated with the sudden loss or delinquency of taxpayers and with unexpected operating pressure, although we consider the latter to be relatively low, given the district's limited operating requirements.

We consider the district's direct debt to be moderate, at roughly 4.4% of MV and about $3,471 per capita in fiscal 2015, based on an estimated population of 5,000 and excluding special assessment bonds. As of fiscal 2016, the district's tax

rate is $2.82 for debt service. We understand that the district is targeting a debt service levy rate of $3 during the life of its outstanding debt, and expects to issue additional debt as AV growth permits. The target levy rate includes a 5% over-levy for delinquencies. The target debt service rate does not incorporate the additional 30 cents the district levies for operations, which could be used to cover debt service, if necessary. Management plans to issue additional GO debt as long as AV growth allows it to maintain the tax rate; however, we understand the district does not have any additional debt plans for the near term.

The city of Buckeye, with an estimated population of 60,534 as of October 2015, is located in the western portion of Maricopa County. In our view, Buckeye's median household effective buying income (EBI) is strong at 113% of the national level, and its per capita EBI is adequate at 69% in 2015.

Outlook

The stable outlook reflects our view of the district's improving local economy and continued development. The outlook further reflects our anticipation that the district will maintain debt and tax ratios at current levels during the next two years. We do not expect to change the ratings during our two-year outlook horizon.

Upside scenario

We could raise the ratings if the district's debt burden and tax rates decrease to levels commensurate with those of higher-rated peers as it continues to develop, coupled with increasing and maintaining its available fund balances at levels we consider at least good.

Downside scenario

We could lower the ratings if the district experiences AV declines or increased operating expenditures, which result in pressure on its fund balance or liquidity, compromising its flexibility.

Related Criteria And Research

Related Criteria

- USPF Criteria: Methodology And Assumptions: Rating Unlimited Property Tax Basic Infrastructure Districts, March 17, 2009
- Criteria: Use of CreditWatch And Outlooks, Sept. 14, 2009

Ratings Detail (As Of May 25, 2016)		
Festival Ranch Comnty Facs Dist District GO (BAM) (SEC MKT)		
Unenhanced Rating	BBB(SPUR)/Stable	Affirmed
Festival Ranch Comnty Facs Dist Dist GO bnds		
Long Term Rating	BBB/Stable	Affirmed
Many issues are enhanced by bond insurance.		

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria.

Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com. All ratings affected by this rating action can be found on the S&P Global Ratings public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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OFFICIAL STATEMENT DATED JUNE 23, 2016

NEW ISSUE - BOOK-ENTRY-ONLY **RATING: STANDARD & POOR'S - "AA" See "RATINGS" herein.**
INSURANCE: See "BOND INSURANCE" and "RISK FACTORS RELATED TO BOND INSURANCE" herein.

In the opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming continuing compliance with certain restrictions, conditions and requirements by the District, as mentioned under "TAX EXEMPTION" herein, interest income on the Bonds is excluded from gross income for federal income tax purposes. Interest income on the Bonds is not an item of tax preference to be included in computing the alternative minimum tax of individuals or corporations; however, such interest income must be taken into account for federal income tax purposes as an adjustment to alternative minimum taxable income for certain corporations, which income is subject to the federal alternative minimum tax. In the opinion of Bond Counsel, interest income on the Bonds is exempt from Arizona income taxes. See "TAX EXEMPTION" and "BOND PREMIUM" herein.

The Board of Directors of the District has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended, which relates to the ability of certain financial institutions to deduct interest expense allocable to holding and carrying tax-exempt obligations for federal income tax purposes. Representatives of the Board of Directors of the District will represent and warrant that they do not anticipate that the aggregate amount of tax-exempt obligations that will be issued by or on behalf of the District in calendar year 2016 will exceed $10,000,000.

$5,410,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2016
(BANK QUALIFIED)

Dated: Date of Initial Delivery *Due: As shown on the inside front cover page*

The $5,410,000 principal amount of Festival Ranch Community Facilities District (City of Buckeye, Arizona) General Obligation Bonds, Series 2016 (the "Bonds") will be issued in the form of fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available initially to ultimate purchasers through the book-entry-only system maintained by DTC in amounts of $5,000 of principal amount or integral multiples in excess thereof due on specified maturity dates. Interest on the Bonds (except defaulted interest, if any) will be paid semiannually on each January 15 and July 15 of each year, commencing January 15, 2017. Payments of principal and interest will be paid by wire transfer to DTC for subsequent disbursements to DTC participants which will remit such payments to the beneficial owners of the Bonds. See APPENDIX C - "BOOK-ENTRY-ONLY SYSTEM."

SEE INSIDE FRONT COVER PAGE FOR MATURITY SCHEDULE

The Bonds are authorized pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended, and an election held on May 25, 2005, in and for Festival Ranch Community Facilities District, a community facilities district formed within the boundaries of the City of Buckeye, Arizona (the "District") and will be issued pursuant to a resolution of the Board of Directors of the District adopted on May 17, 2016. The Bonds will be payable as to both principal and interest from *ad valorem* taxes to be levied on all taxable property within the boundaries of the District, without limitation as to rate or amount. See "SECURITY FOR AND SOURCES OF PAYMENT."

Certain of the Bonds will be subject to optional redemption prior to their stated maturity dates as described under "THE BONDS – Redemption Provisions" herein.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY.**

Proceeds of the sale of the Bonds will be used to finance the acquisition of certain public infrastructure by the District, and pay costs of issuance for the Bonds.

Investment in the Bonds involves certain risks that each prospective investor should consider prior to investing. See "SECURITY FOR AND SOURCES OF PAYMENT" and "RISK FACTORS" herein.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF BUCKEYE, ARIZONA, THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) IS PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS WILL BE OBLIGATIONS OF THE DISTRICT ONLY. NONE OF THE CITY OF BUCKEYE, ARIZONA, THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) WILL HAVE ANY OBLIGATION WITH RESPECT TO DEBT SERVICE FOR THE BONDS.

The Bonds are offered when, as and if issued by the District and subject to the approval of Gust Rosenfeld P.L.C., Phoenix, Arizona, Bond Counsel. Certain legal matters will be passed upon for the District by its counsel, Gust Rosenfeld P.L.C., Phoenix, Arizona, for the Underwriter by its counsel, Greenberg Traurig, LLP, Phoenix, Arizona, and for Pulte Home Corporation by its counsel, Berens, Kozub, Kloberdanz & Blonstein, PLC, Scottsdale, Arizona. It is expected that delivery of the Bonds will be made through the facilities of DTC on or about July 13, 2016.

This cover page contains certain information for general reference only. It is not a summary of the issue of which the Bonds are a part. Investors are advised to read this Official Statement in its entirety to obtain information essential to the making of an informed investment decision with respect to the Bonds.

STIFEL

$5,410,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2016
(BANK QUALIFIED)

MATURITY SCHEDULE
Base CUSIP®[1] No. 315598

Maturity Date (July 15)	Principal Amount	Interest Rate	Yield	CUSIP®[1] No. 315598
2017	$ 70,000	2.00%	1.05%	CE0
2018	75,000	2.00	1.19	CF7
2019	80,000	3.00	1.38	CG5
2020	85,000	3.00	1.53	CH3
2021	90,000	4.00	1.71	CJ9
2022	95,000	4.00	1.86	CK6
2023	100,000	4.00	2.01	CL4
2024	100,000	4.00	2.11	CM2
2025	105,000	4.00	2.21	CN0
2026	110,000	4.00	2.31	CR1

$625,000 Term Bonds @ 4.00% Due July 15, 2031 - Yield 2.66%* CUSIP® No. 315598 CP5
$3,875,000 Term Bonds @ 4.00% Due July 15, 2036 - Yield 2.89%* CUSIP® No. 315598 CQ3

* Yield to July 1, 2026, the first optional redemption date.

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

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Michelle Hess, *District Vice Chairman*
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Craig Heustis, *District Board Member*
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Vacant, *District Board Member*

DISTRICT STAFF

Stephen S. Cleveland, *District Manager*
Larry D. Price, *District Treasurer*
Lucinda Aja, *District Clerk*

FINANCIAL ADVISOR

FirstSouthwest, a Division of Hilltop Securities Inc.
Phoenix, Arizona

BOND COUNSEL

Gust Rosenfeld P.L.C.
Phoenix, Arizona

BOND REGISTRAR AND PAYING AGENT

Zions Bank, a division of ZB, National Association
Phoenix, Arizona

This Official Statement, which includes the cover page, the inside front cover page and the appendices hereto, should be considered in its entirety, and no one subject should be considered less important than another by reason of location in the text. Brief descriptions of Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "District"), General Obligation Bonds, Series 2016 (the "Bonds"), the hereinafter described Bond Resolution, the security for the Bonds, the District, Pulte Home Corporation ("Pulte") and other information are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Bonds, the Bond Resolution and any other documents are qualified in their entirety by reference to such documents, copies of which may be obtained from Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), at 2325 East Camelback Road, Suite 750, Phoenix, Arizona 85016.

The information set forth herein has been obtained from the District, Pulte and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the Underwriter or FirstSouthwest, a Division of Hilltop Securities Inc. (the "Financial Advisor"). This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions or that they will be realized. The presentation of information, including tables of *ad valorem* tax rates and bonded general obligation indebtedness, in this Official Statement is intended to show recent historical information and, except as expressly stated otherwise, is not intended to indicate future or continuing trends. No representation is made that the past experience shown by such information will necessarily continue or be repeated in the future.

The Underwriter has provided the following sentence for inclusion in this Official Statement: "The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information."

The presentation of information, including tables of receipts from taxes and other sources, shows recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the District. All information, estimates and assumptions contained herein are based on past experience and on the latest information available and are believed to be reliable, but no representations are made that such information, estimates and assumptions are correct, will continue, will be realized or will be repeated in the future. To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of these statements have been or will be realized. All forecasts, projections, opinions, assumptions or estimates are "forward looking statements" that must be read with an abundance of caution and that may not be realized or may not occur in the future. Information other than that obtained from official records of the District has been identified by source and has not been independently confirmed or verified by the District, the Financial Advisor or the Underwriter and its accuracy cannot be guaranteed. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made pursuant hereto will, under any circumstances, create any implication that there has been no change in the affairs of the District or any of the other parties or matters described herein since the date hereof.

The Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or approved the Bonds for sale.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission.

The District will undertake to provide continuing disclosure as described in this Official Statement under the heading "CONTINUING DISCLOSURE" and in APPENDIX D – "FORM OF CONTINUING DISCLOSURE UNDERTAKING," all pursuant to Rule 15c2-12 of the Securities and Exchange Commission.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM THE INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS, AND THE UNDERWRITER MAY OVERALLOT OR ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET IN ORDER TO FACILITATE THEIR DISTRIBUTION. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE" and APPENDIX E – "SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

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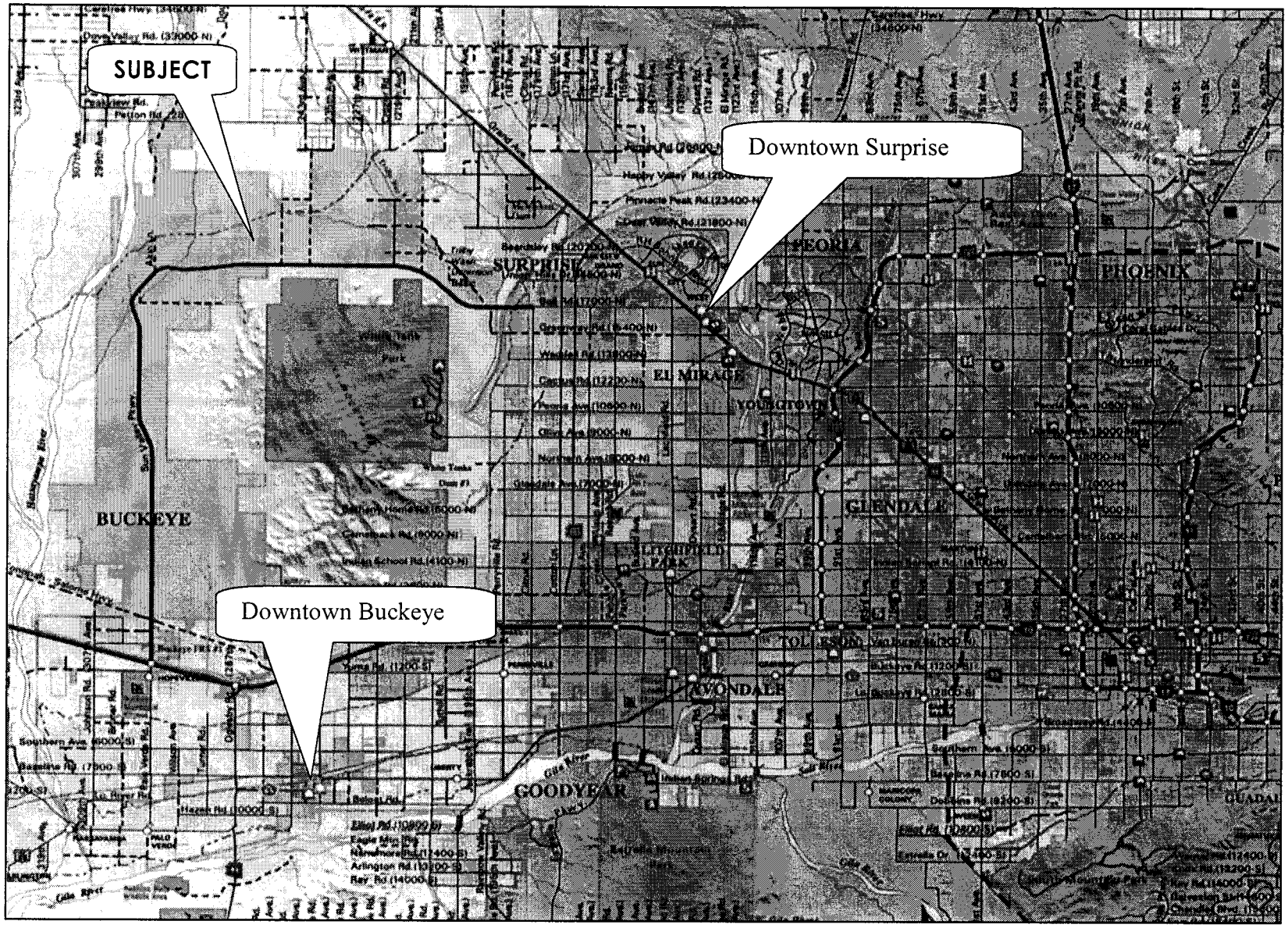
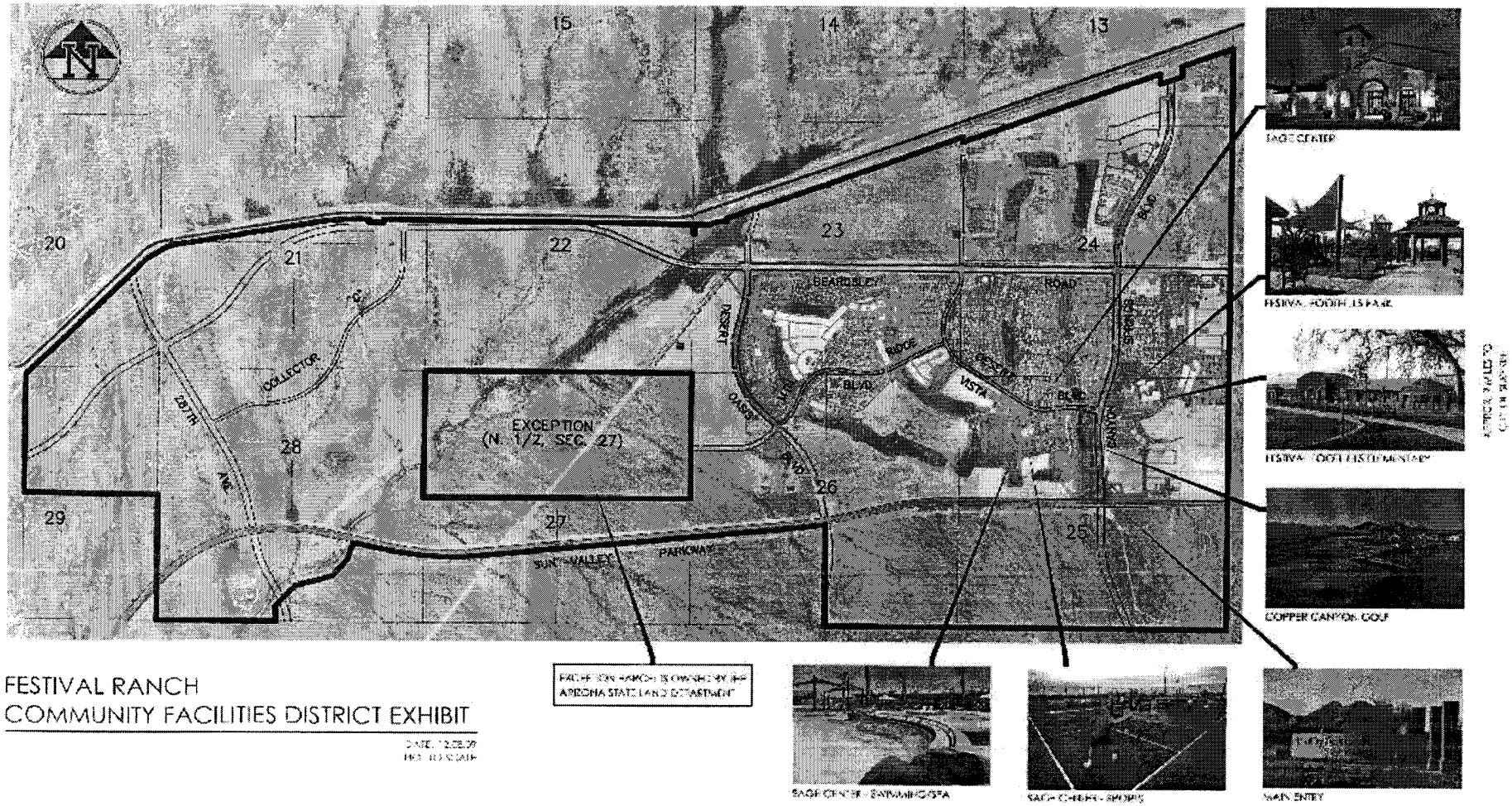
MAP SHOWING LOCATION OF THE DISTRICT
WITHIN METROPOLITAN PHOENIX AREA



AERIAL PHOTOGRAPH OF THE DISTRICT



FESTIVAL RANCH
COMMUNITY FACILITIES DISTRICT EXHIBIT

$5,410,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2016
(BANK QUALIFIED)

This Official Statement, which includes the cover page, the inside front cover page and the appendices hereto, provides certain information concerning the issuance of $5,410,000 principal amount of Festival Ranch Community Facilities District (City of Buckeye, Arizona) General Obligation Bonds, Series 2016 (the "Bonds").

THE DISTRICT

Pursuant to the Community Facilities District Act of 1988, constituting Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended (the "Enabling Act"), and in response to a petition by Pulte Home Corporation, a corporation organized and existing pursuant to the laws of the State of Michigan ("Pulte"), the Mayor and Council (the "City Council") of the City of Buckeye, Arizona (the "City"), adopted a resolution on April 19, 2005, which formed Festival Ranch Community Facilities District (the "District"). See APPENDIX A - "INFORMATION REGARDING THE CITY OF BUCKEYE, ARIZONA" hereto for information about the City and the information under the heading "PULTE" herein for information about Pulte.

The District encompasses approximately 4,015 acres within the City and is located approximately 34 miles west of downtown Phoenix, Arizona, 17 miles north of Interstate 10 and nine miles west of current development within the City of Surprise, Arizona. See the map on page (iii) with respect to the location of the District and the aerial photograph of the District on page (iv).

The District is a special purpose, tax levying public improvement district for purposes of the constitution of the State of Arizona (the "State" or "Arizona") and a municipal corporation for certain purposes of the laws of the State. Except as otherwise provided in the Enabling Act, the District is considered to be a municipal corporation and political subdivision of the State, separate and apart from the City. Members of the City Council serve as members of the Board of Directors of the District (the "Board"), and the City Manager of the City serves as the District Manager.

The District has provided, pursuant to the terms of certain development agreements among the City, Pulte and the District, financing for the acquisition of certain public infrastructure necessary for development of the land within the boundaries of the District. See "LAND DEVELOPMENT." The District has the authority to issue general obligation bonds payable from *ad valorem* taxes levied on all taxable property within the boundaries of the District, without limitation as to rate or amount, to finance, among other things, the acquisition costs of public infrastructure purposes within the District, including incidental costs and the costs of issuing bonds. The District also levies a $0.30 *ad valorem* tax per $100 of Net Assessed Property Value for Secondary Tax Purposes (as hereinafter defined) the proceeds of which are used to pay a portion of the operation and maintenance expenses of the District and of the public infrastructure financed by the District.

THE BONDS

Authority and Election

The Bonds are authorized pursuant to the Enabling Act and an election held on May 25, 2005 (the "Election") and will be issued pursuant to a resolution adopted by the Board on May 17, 2016 (the "Bond Resolution"). The Bonds will be the seventh series of bonds issued pursuant to the authorization approved at the Election, and, after issuance of the Bonds, $152,455,000 principal amount of general obligation bonds of the District will remain authorized but unissued. See "SECURITY FOR AND SOURCES OF PAYMENT - *Ad Valorem* Property Taxation in the District" and "OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS - Additional General Obligation Bonded Indebtedness of the District." The Bonds are being issued in order to finance a portion

of the cost for the District to acquire the Public Infrastructure Financed by the Bonds (as hereinafter defined) from Pulte. See "PUBLIC INFRASTRUCTURE FINANCED BY THE BONDS."

General Description

The Bonds will be dated the date of their initial delivery, and will mature and bear interest at the rates as set forth on the inside front cover page of this Official Statement.

Interest on the Bonds will be paid semiannually on January 15 and July 15 of each year, commencing January 15, 2017 (each such date being referred to herein as an "Interest Payment Date"). The Bonds will bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for or, if no interest has been paid, from the date of their initial delivery, calculated on the basis of a 360-day year of twelve 30-day months. See APPENDIX C - "BOOK-ENTRY-ONLY SYSTEM."

The principal of, redemption price for and interest on the Bonds will be payable when due to Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as the securities depository of the Bonds for a book-entry-only system. The Bonds will be available initially to ultimate purchasers under such system in amounts of $5,000 of principal amount or integral multiples in excess thereof due on specified maturity dates. No document of any nature whatsoever need be surrendered as a condition to payment of the principal and interest on the Bonds. See APPENDIX C - "BOOK-ENTRY-ONLY SYSTEM."

Bond Registrar and Paying Agent

Zions Bank, a division of ZB, National Association will serve as the initial bond registrar, transfer agent and paying agent (the "Bond Registrar and Paying Agent") for the Bonds. The District may change the Bond Registrar and Paying Agent without notice to or consent of the owners of the Bonds.

Redemption Provisions

Optional Redemption. The Bonds maturing on or before July 15, 2026 are not subject to redemption prior to their stated maturity dates. The Bonds maturing on or after July 15, 2031 are subject to redemption prior to their stated maturity dates, at the option of the District, in whole or in part from maturities selected by the District on July 15, 2026, or on any date thereafter, by the payment of a redemption price equal to the principal amount of each Bond called for redemption, plus interest accrued to the date fixed for redemption but without a premium.

Mandatory Redemption. The Bonds maturing on July 15 of the following years will be redeemed from funds of the District prior to maturity on the following redemption dates and in the following amounts, upon payment of the redemption price which consists 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, but without premium:

Term Bonds due July 15, 2031

Year	Principal Amount
2027	$115,000
2028	120,000
2029	125,000
2030	130,000
2031	135,000 (maturity)

Term Bonds due July 15, 2036

Year	Principal Amount
2032	$145,000
2033	205,000
2034	750,000
2035	1,360,000
2036	1,415,000 (maturity)

Whenever Bonds are redeemed (other than pursuant to mandatory redemption) or are delivered to the Bond Registrar and Paying Agent for cancellation, the principal amount of the Bonds of such maturity so retired shall satisfy and be credited against the mandatory redemption requirements for such maturity on a pro rata basis, to the extent practicable provided, however, that each remaining mandatory payment shall be in an amount of at least $5,000 of principal.

Notice of Redemption. So long as the Bonds are held under the Book-Entry-Only System, notices of redemption will be sent to DTC in the manner required by DTC. See APPENDIX C – "BOOK-ENTRY-ONLY SYSTEM." If the Book-Entry-Only System is discontinued, notice of redemption of any Bond will be mailed to the registered owner of the Bond or Bonds being redeemed at the address shown on the bond register maintained by the Bond Registrar and Paying Agent not more than sixty (60) nor less than thirty (30) days prior to the date set for redemption. Notice of redemption may be sent to any securities depository by mail, facsimile transmission, wire transmission or any other means of transmission of the notice generally accepted by the respective securities depository. Neither the failure of any registered owner of Bonds to receive a notice of redemption nor any defect therein will affect the validity of the proceedings for redemption of Bonds as to which proper notice of redemption was given.

Notice of any redemption will also be provided as set forth in APPENDIX D – "FORM OF CONTINUING DISCLOSURE UNDERTAKING," but no defect in said further notice or record nor any failure to give all or a portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above.

If monies for the payment of the redemption price and accrued interest are not held in separate accounts by the District, the Maricopa County, Arizona (the "County") Treasurer or the Bond Registrar and Paying Agent prior to sending the notice of redemption, such redemption shall be conditional on such monies being so held on the date set for redemption and if not so held by such date, the redemption shall be cancelled and be of no force and effect.

Effect of Redemption. On the date designated for redemption, the Bonds or portions thereof to be redeemed will become and be due and payable at the redemption price for such Bonds or portions thereof, and, if monies for payment of the redemption price are held in a separate account by the Bond Registrar and Paying Agent, interest on such Bonds or portions thereof to be redeemed will cease to accrue, such Bonds or portions thereof will cease to be entitled to any benefit or security under the Bond Resolution, the owners of such Bonds or portions thereof will have no rights in respect thereof except to receive payment of the redemption price thereof and such Bonds or portions thereof will be deemed paid and no longer outstanding. DTC's practice is to determine by lot the amount of each Direct Participant's (as defined in APPENDIX C – "BOOK-ENTRY-ONLY SYSTEM") proportionate share that is to be redeemed.

Redemption of Less than All of a Bond. The District may redeem any amount which is included in a Bond that is subject to prior redemption in a denomination equal to or in excess of, but divisible by, $5,000. In the event of a partial redemption, the Bond will be redeemed in accordance with DTC's procedures. In the event of a partial redemption after the Book-Entry-Only System is discontinued, the registered owner will submit the Bond for partial redemption and the Bond Registrar and Paying Agent will make such partial payment and will cause to be issued a new Bond in a principal amount which reflects the redemption so made, to be authenticated and delivered to the registered owner thereof.

Registration and Transfer When Book-Entry-Only System Has Been Discontinued

If the Book-Entry-Only System is discontinued, the Bonds will be transferred only upon the bond register maintained by the Bond Registrar and Paying Agent and one or more new Bonds, registered in the name of the transferee, of the same principal amount, maturity and rate of interest as the surrendered Bond or Bonds will be authenticated, upon surrender to the Bond Registrar and Paying Agent of the Bond or Bonds to be transferred, together with an appropriate instrument of transfer executed by the transferor if the Bond Registrar and Paying Agent's requirements for transfer are met. The District has chosen the fifteenth day of the month preceding an Interest Payment Date as the "Record Date" for the Bonds. The Bond Registrar and Paying Agent may, but is not required to, transfer or exchange any Bonds during the period from the Record Date to and including the respective Interest Payment Date. The Bond Registrar and Paying Agent may, but is not required to, transfer or exchange any Bonds which have been selected for prior redemption.

The transferor will be responsible for all transfer fees, taxes, fees and any other costs relating to the transfer of ownership of individual Bonds.

SECURITY FOR AND SOURCES OF PAYMENT

General

The Board will annually levy and cause an *ad valorem* tax to be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable property in the District, sufficient, together with any amounts from the sources described in the Enabling Act and available pursuant to the Bond Resolution, to pay debt service with respect to the Bonds (whether at maturity or prior redemption) when due. Amounts derived from the levy of such tax when collected constitute funds to pay the debt service on the outstanding general obligation bonds of the District (including debt service with respect to the hereinafter described Series 2006 Bonds, Series 2007 Bonds, Series 2009 Bonds, Taxable Series 2009 Bonds, Series 2012 Bonds and Series 2013 Bonds and with respect to the Bonds) and will be kept separately from other funds of the District. With respect to *ad valorem* property taxes, the Series 2006 Bonds, the Series 2007 Bonds, the Series 2009 Bonds, the Taxable Series 2009 Bonds, the Series 2012 Bonds, the Series 2013 Bonds and the Bonds will be payable from such taxes on the same basis as issues of general obligation bonds of the District which may be issued in the future. The Board also levies an additional *ad valorem* tax of $0.30 per $100 of Net Assessed Property Value for Secondary Tax Purposes which amount is and will be used for operation and maintenance expenses of the District and of the public infrastructure financed by the District. See "OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS - Additional General Obligation Bonded Indebtedness of the District."

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) IS PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE OBLIGATIONS OF THE DISTRICT ONLY. NONE OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) WILL HAVE ANY OBLIGATION WITH RESPECT TO DEBT SERVICE FOR THE BONDS.

Ad Valorem Property Taxation in the District

Taxes levied for the maintenance and operation of counties, cities, towns, school districts, community college districts and the State are "primary taxes." Taxes levied for payment of bonds like the Bonds, voter-approved budget overrides and the maintenance and operation of special service districts such as sanitary, fire, road improvement and joint technological education districts are "secondary taxes." See "Primary Taxes" and "Secondary Taxes" below. The State's ad valorem property tax levy and collection procedures are described under this heading "SECURITY FOR AND SOURCES OF PAYMENT – Ad Valorem Property Taxation in the District."

Taxable Property

Real property and improvements and personal property are either valued by the Assessor of the County or the Arizona Department of Revenue. Property valued by the Assessor of the County is referred to as "locally assessed" property and generally encompasses residential, agricultural and traditional commercial and industrial property. Property valued by the Department of Revenue is referred to as "centrally valued" property and generally includes large mine and utility entities.

Locally assessed property is assigned two values: "full cash value" and "limited property value." Centrally valued property is assigned one value: full cash value.

Full Cash Value

Full cash value ("Full Cash Value") is statutorily defined to mean "that value determined as prescribed by statute" or if no statutory method is prescribed it is "synonymous with market value which means that estimate of value that is derived annually by using standard appraisal methods and techniques," which generally include the market approach, the cost approach and the income approach. In valuing locally assessed property, the Assessor of the County generally uses a cost approach to value commercial/industrial property and a market approach to value residential property. In valuing centrally valued property, the Department of Revenue begins generally with information provided by taxpayers and then applies procedures provided by State law. State law allows taxpayers to appeal such Full Cash Values by providing evidence of a lower value, which may be based upon another valuation approach.

Full Cash Value is used as the basis for levying taxes (both primary and secondary) on centrally valued property and personal property (except mobile homes). Full Cash Value is also used as the ceiling for determining Limited Property Value (as defined below) and as the basis for determining constitutional and statutory debt limits for certain political subdivisions in Arizona. Unlike Limited Property Value, increases in Full Cash Value are not limited.

Limited Property Value

Limited property value ("Limited Property Value") is a property value determined pursuant to the Arizona Constitution and the Arizona Revised Statutes. For locally assessed property in existence in the prior year that did not undergo modification through construction, destruction, split or change in use, including that for mobile homes, Limited Property Value is limited to the lesser of Full Cash Value or an amount 5% greater than Limited Property Value determined for the prior year.

Limited Property Value is used as the basis for levying taxes (both primary and secondary) on locally assessed property. Limited Property Value is also used as the basis for determining constitutional and statutory debt limits for certain political subdivisions in Arizona. Unlike Full Cash Value, increases in Limited Property Value are limited as described in the prior paragraph and under the heading "Primary Taxes" below.

Prior to tax year 2015, the value of locally assessed property used for primary tax purposes was Limited Property Value. The value of such property used for secondary tax purposes was Full Cash Value. Limited Property Value for property in existence in the prior year that did not undergo modification through construction, destruction, split or change in use increased by the greater of either 10% of the prior year's Limited Property Value or 25% of the difference between the prior year's Limited Property Value and the current year's Full Cash Value.

Property Classification and Assessment Ratios

All property, both real and personal, is assigned a classification (defined by property use) and related assessment ratio that is multiplied by the Limited Property Value or Full Cash Value of the property, as applicable, to obtain the "Limited Assessed Property Value" and the "Full Cash Assessed Value," respectively. Such values are then multiplied by the relevant taxing jurisdiction's primary and secondary tax rates to determine each property owner's property tax liability.

The assessment ratios for each property classification are set forth by tax year in the following table.

TABLE 1

Property Tax Assessment Ratios (Tax Year)

Property Classification *(a)*	2012	2013	2014	2015	2016
Mining, utilities, commercial and industrial	20%	19.5%	19%	18.5%	18%
Agriculture and vacant land	16	16	16	16	15
Owner occupied residential	10	10	10	10	10
Leased or rented residential	10	10	10	10	10
Railroad, private car company and airline flight property *(b)*	15	15	16	15	14

(a) Additional classes of property exist, but seldom amount to a significant portion of a municipal body's total valuation.

(b) This percentage is determined annually pursuant to Section 42-15005, Arizona Revised Statutes.

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue (the "Property Tax Abstract"). Note that Net Assessed Property Value for Secondary Tax Purposes (as defined herein) is described as "Net Assessed Value" in the Property Tax Abstract.

Primary Taxes

Primary taxes are levied against "Net Limited Assessed Property Value" of locally assessed property and against "Net Full Cash Assessed Value" of centrally valued property. Net Limited Assessed Property Value and Net Full Cash Assessed Value are determined by excluding the value of property exempt from taxation from Limited Assessed Property Value and Full Cash Assessed Value, respectively.

The primary taxes levied by each county, city, town and community college district are constitutionally limited to a maximum increase of 2% over the maximum allowable prior year's levy limit plus any taxes on property not subject to taxation in the preceding year (e.g., new construction and property brought into the jurisdiction because of annexation). The 2% limitation does not apply to primary taxes levied on behalf of school districts.

Primary taxes on residential property only are constitutionally limited to 1% of the Limited Property Value of such property. This constitutional limitation on residential primary tax levies is implemented by reducing the school district's taxes. To offset the effects of reduced school district property taxes, the State compensates the school district by providing additional State aid (or in some counties, county taxpayers are required to make payments to offset the effects of reduced property taxes).

Secondary Taxes

Secondary taxes are levied against Net Limited Assessed Property Value of locally assessed property and against Net Full Cash Assessed Value of centrally valued property (together, "Net Assessed Property Value for Secondary Tax Purposes"). (Prior to tax year 2015, secondary taxes were levied against Net Full Cash Assessed Value of both locally assessed property and centrally valued property.) There is no constitutional or statutory limitation on annual levies for voter-approved bond indebtedness and overrides and certain special district assessments. **As Net Full Cash Assessed Value was used as the basis for levying taxes on locally assessed property and centrally valued property for payment of bonds like the Bonds in fiscal years prior to fiscal year 2015/16, this Official Statement compares Net Assessed Property Value for Secondary Tax Purposes with Net Full Cash Assessed Value in applicable years below.**

Tax Procedures

The State tax year has been defined as the calendar year, notwithstanding the fact that tax procedures begin prior to January 1 of the tax year and continue through May of the succeeding calendar year.

On or before the third Monday in August each year the Board of Supervisors of the County prepares the tax roll setting forth certain valuations by taxing district of all property in the County subject to taxation. The Assessor of the County is required to complete the assessment roll by December 15th of the year prior to the levy. This tax roll also shows the valuation and classification of each parcel of land located within the County for the tax year. The tax roll is then forwarded to the Treasurer of the County.

With the various budgetary procedures having been completed by the governmental entities, the appropriate tax rate for each jurisdiction is then applied to the parcel of property in order to determine the total tax owed by each property owner. Any subsequent decrease in the value of the tax roll as it existed on the date of the tax levy due to appeals or other reasons would reduce the amount of taxes received by each jurisdiction.

The property tax lien on real property attaches on January 1 of the year the tax is levied. Such lien is prior and superior to all other liens and encumbrances on the property subject to such tax except liens or encumbrances held by the State or liens for taxes accruing in any other years. Set forth below is a record of property taxes levied and collected in the District for a portion of the current fiscal year and all of the previous five fiscal years.

TABLE 2

Real and Secured Property Taxes Levied and Collected *(a)*

Fiscal Year	District Tax Rate	Adopted District Tax Levy	Adjusted District Tax Levy as of June 30th	Collected to June 30th of Initial Fiscal Year		Adjusted District Tax Levy as of 4/30/2016	Cumulative Collections to April 30, 2016	
				Amount	% of Adj. Levy		Amount	% of Adj. Levy
2015/16	$2.8181	$1,310,158	$1,309,746	*(b)*	*(b)*	$1,309,746	$1,214,612	92.74 % *(c)*
2014/15	2.9636	1,265,278	1,262,784	$1,247,832	98.82 %	1,262,784	1,262,770	100.00
2013/14	2.6000	1,068,918	1,068,918	1,050,226	98.25	1,067,734	1,058,370	99.12
2012/13	3.2000	1,298,034	1,295,719	1,281,926	98.94	1,293,299	1,293,281	100.00
2011/12	3.3000	1,315,335	1,315,117	1,307,247	99.40	1,313,844	1,313,826	100.00

(a) *Taxes are collected by the Treasurer of the County. Taxes in support of debt service are levied by the Board of Supervisors of the County as required by Arizona Revised Statutes. Delinquent taxes are subject to an interest and penalty charge of 16% per annum, which is prorated at a monthly rate of 1.33%. Interest and penalty collections for delinquent taxes are not included in the collection figures above, but are deposited in the County's General Fund. Interest and penalties with respect to the first half tax collections (delinquent November 1) are waived if the full year's taxes are paid by December 31.*

(b) *2015/16 taxes in course of collection:*
First installment due 10-01-15, delinquent 11-01-15;
Second installment due 03-01-16, delinquent 05-01-16.

(c) *Collections through April 30, 2016.*

Source: Office of the Treasurer of the County.

Delinquent Tax Procedures

The property taxes due the District are billed, along with State and other taxes, each September and are due and payable in two installments on October 1 and March 1 and become delinquent on November 1 and May 1, respectively. Delinquent taxes are subject to an interest penalty of 16% per annum prorated monthly as of the first day of the month. (Delinquent interest is waived if a taxpayer, delinquent as to the November 1 payment, pays the entire year's tax bill by December 31.) After the close of the tax collection period, the Treasurer of the County prepares a delinquent property tax list and the property so listed is subject to a tax lien sale in February of the succeeding year. In the event that there is no purchaser for the tax lien at the sale, the tax lien is assigned to the State, and the property is reoffered for sale from time to time until such time as it is sold, subject to redemption, for an amount sufficient to cover all delinquent taxes.

After three years from the sale of the tax lien, the tax lien certificate holder may bring an action in a court of competent jurisdiction to foreclose the right of redemption and, if the delinquent taxes plus accrued interest are not paid by the owner of record or any entity having a right to redeem, a judgment is entered ordering the Treasurer of the County to deliver a treasurer's deed to the certificate holder as prescribed by law.

In the event of bankruptcy of a taxpayer pursuant to the United States Bankruptcy Code (the "Bankruptcy Code"), the law is currently unsettled as to whether a lien can attach against the taxpayer's property for property taxes levied during the pendency of bankruptcy. Such taxes might constitute an unsecured and possibly non-interest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are oversecured, and then possibly only on the prorated basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact bankruptcy might have on the ability to collect ad valorem taxes on property of a taxpayer within the District. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on delinquent property.

When a debtor files or is forced into bankruptcy, any act to obtain possession of the debtor's estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover a claim against the debtor that arose before the commencement of the bankruptcy is stayed pursuant to the Bankruptcy Code. While the automatic stay of a bankruptcy court may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor would be subject to the stay of bankruptcy court. It is reasonable to conclude that "tax sale investors" may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of the payment of post-bankruptcy petition tax collections becomes uncertain.

It cannot be determined what impact any deterioration of the financial conditions of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of or the secondary market for the Bonds. None of the District, the Underwriter or their respective agents or consultants has undertaken any independent investigation of the operations and financial condition of any taxpayer, nor have they assumed responsibility for the same.

In the event the County is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the District's tax rate charged to non-bankrupt taxpayers during such subsequent tax years. See "RISK FACTORS – Bankruptcy and Foreclosure Delays."

TABLE 3A

Net Assessed Property Value for Secondary Tax Purposes by Property Classification *(a)*
Festival Ranch Community Facilities District

Legal Class	Description	2016/17 Estimated Net Assessed Property Value for Secondary Tax Purposes *(b)*	2015/16 Net Assessed Property Value for Secondary Tax Purposes	2015/16 Percent of Total
1	Commercial, industrial, utilities & mines	$ 1,835,177	$ 1,811,173	3.9 %
2	Agricultural and vacant	2,438,811	2,645,759	5.7
3	Residential (owner occupied)	29,420,945	25,584,485	55.0
4	Residential (rental)	17,987,043	16,449,409	35.4
	Totals*	$ 51,681,976	$ 46,490,826	100.0 %

(a) *Determined by Net Assessed Property Value for Secondary Tax Purposes. See "PROPERTY TAXES – Limited Property Value" and – "Secondary Taxes" herein for a discussion of the use of Net Assessed Property Value for Secondary Tax Purposes for fiscal years 2015/16 and thereafter.*

(b) *Estimated by the Assessor of the County.*

* Totals may not add up due to rounding.

Source: *The Property Tax Abstract*, Arizona Department of Revenue and *Property Tax Rates and Assessed Values*, Arizona Tax Research Association. Note that Net Assessed Property Value for Secondary Tax Purposes is described as "Net Assessed Value" in the Property Tax Abstract.

See also in this respect the discussion under the subheading "LAND DEVELOPMENT."

TABLE 3B

Net Full Cash Assessed Value by Property Classification *(a)*
Festival Ranch Community Facilities District

Legal Class	Description	2014/15	2013/14	2012/13	2011/12
1	Commercial, Industrial, Utilities & Mines	$ 1,595,998	$ 1,788,803	$ 1,905,169	$ 1,395,256
2	Agricultural and Vacant	3,697,597	5,270,949	5,915,290	6,203,260
3	Residential (owner occupied)	23,108,620	21,530,960	22,282,218	31,284,380
4	Residential (rental)	14,291,756	12,521,520	10,460,900	975,462
	Totals*	$42,693,971	$41,112,232	$40,563,577	$39,858,358

(a) *Determined by Net Full Cash Assessed Value. See "PROPERTY TAXES – Limited Property Value" and – "Secondary Taxes" herein for a discussion of the use of Net Full Cash Assessed Value for fiscal years prior to 2015/16.*

* Totals may not add up due to rounding.

Source: *The Property Tax Abstract*, Arizona Department of Revenue and *Property Tax Rates and Assessed Values*, Arizona Tax Research Association.

TABLE 4A

Net Assessed Property Value for Secondary Tax Purposes of Major Taxpayers
Festival Ranch Community Facilities District

Major Taxpayer *(a)*	2015/16 Net Assessed Property Value for Secondary Tax Purposes	As % of Net Assessed Property Value for Secondary Tax Purposes
Pulte Home Corporation	$ 3,623,869	7.79 %
Accipter Communications Inc	321,861	0.69
Transwestern Pipeline Company LLC	261,875	0.56
Frcs LLC	165,287	0.36
Sun City Festival Community Association Inc	118,822	0.26
	$ 4,491,714	9.66 %

(a) *Some of such taxpayers or their parent corporations are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith file reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information (collectively, the "Filings") may be inspected, copied and obtained at prescribed rates at the Commission's public reference facilities at 100 F Street, N.E., Washington, D.C. 20549-2736. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005. The Filings may also be obtained through the Internet on the Commission's EDGAR data base at http://www.sec.gov. No representative of the District, the Underwriter, Bond Counsel or Counsel to the Underwriter (as defined herein) has examined the information set forth in the Filings for accuracy or completeness, nor does any such representative assume responsibility for the same.*

Source: The Assessor of the County.

See "RISK FACTORS - General Risks of Real Estate Investment and Development; Certain Factors Which May Adversely Affect Development; Consequences."

TABLE 4B

Net Full Cash Assessed Value of Major Taxpayers
Festival Ranch Community Facilities District

Major Taxpayer *(a)*	2014/15 Net Limited Assessed Valuation	As % of 2014/15 Net Limited Assessed Valuation
Pulte Home Corporation	$ 3,964,780	8.53 %
Accipter Communications Inc	366,955	0.79
Transwestern Pipeline Company LLC	323,173	0.70
Sun City Festival Community Association Inc	213,347	0.46
Frcs LLC	161,671	0.35
	$ 5,029,926	10.82 %

(a) Some of such taxpayers or their parent corporations are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith file the Filings with the Commission. The Filings may be inspected, copied and obtained at prescribed rates at the Commission's public reference facilities at 100 F Street, N.E., Washington, D.C. 20549-2736. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005. The Filings may also be obtained through the Internet on the Commission's EDGAR data base at http://www.sec.gov. No representative of the District, the Underwriter, Bond Counsel or Counsel to the Underwriter has examined the information set forth in the Filings for accuracy or completeness, nor does any such representative assume responsibility for the same.

Source: The Assessor of the County.

TABLE 5A

Comparative Net Assessed Property Values for Secondary Tax Purposes *(a)*
Festival Ranch Community Facilities District

Fiscal Year	Festival Ranch Community Facilities District	City of Buckeye	Maricopa County	State of Arizona
2016/17 *(b)*	$ 51,681,976	$ 339,702,713	$36,135,494,474	$56,573,588,524
2015/16	46,490,826	320,169,039	35,079,646,593	55,352,051,074

(a) Determined by Net Assessed Property Value for Secondary Tax Purposes. See "PROPERTY TAXES – Limited Property Value" and – "Secondary Taxes" herein for a discussion of the use of Net Assessed Property Value for Secondary Tax Purposes for fiscal years 2015/16 and thereafter.

(b) Estimated by the Assessor of the County.

Source: *Property Tax Rates Assessed Values*, Arizona Tax Research Association and *the Property Tax Abstract*, Arizona Department of Revenue. Note that Net Assessed Property Value for Secondary Tax Purposes is described as "Net Assessed Value" in the Property Tax Abstract.

TABLE 5B

Comparative Net Full Cash Assessed Values *(a)*
Festival Ranch Community Facilities District

Fiscal Year	Festival Ranch Community Facilities District	City of Buckeye	Maricopa County	State of Arizona
2014/15	$ 42,693,971	$ 324,277,466	$32,229,006,810	$52,594,377,492
2013/14	41,112,232	287,873,371	34,400,455,716	56,271,814,583
2012/13	40,563,577	300,289,266	34,400,455,712	56,283,023,907
2011/12	39,858,358	322,876,453	38,760,296,714	61,700,292,915

(a) *Determined by Net Full Cash Assessed Value. See "PROPERTY TAXES – Limited Property Value" and – "Secondary Taxes" herein for a discussion of the use of Net Full Cash Assessed Value for fiscal years prior to 2015/16.*

Source: *Property Tax Rates Assessed Values*, Arizona Tax Research Association and *the Property Tax Abstract,* Arizona Department of Revenue.

TABLE 6

Estimated Net Full Cash Value History
Festival Ranch Community Facilities District

Fiscal Year	Estimated Net Full Cash Value *(a)*
2016/17*(b)*	$ 591,153,469
2015/16	493,239,270
2014/15	400,559,910
2013/14	378,193,132
2012/13	368,948,293
2011/12	362,826,340

(a) *Estimated Net Full Cash Value is the total market value of the property within the District less the estimated Full Cash Value of property exempt from taxation within the District.*

(b) *Estimated by the Assessor of the County.*

Source: *The Property Tax Abstract,* Arizona Department of Revenue.

General Obligation Bonded Indebtedness to be Outstanding. The following table lists the general obligation bonded indebtedness of the District that will be outstanding after issuance of the Bonds:

TABLE 7

Issue Series	Original Amount	Purpose	Final Maturity Date (July 15)	Balance Outstanding and to be Outstanding
Series 2006 *(a)*	$ 800,000	Trunk sewer lines	2031	$ 605,000
Series 2007 *(b)*	1,535,000	Trunk sewer lines	2032	1,240,000
Series 2009A *(c)*	5,435,000	Sewer lines and roadways	2031	4,030,000
Series 2009B *(d)*	2,165,000	Sewer lines and roadways	2034	2,165,000
Series 2012 *(e)*	5,400,000	Sewer lines and roadways	2031	3,400,000
Series 2013 *(f)*	1,800,000	Water main lines, wells, facilities	2033	1,790,000
Total General Obligation Bonded Debt Outstanding				$ 13,230,000
Plus: The Bonds				5,410,000
Total General Obligation Bonded Debt Outstanding and to be Outstanding				$ 18,640,000

(a) *Herein referred to as the Series 2006 Bonds.*

(b) *Herein referred to as the Series 2007 Bonds.*

(c) *Herein referred to as the Series 2009 Bonds.*

(d) *Herein referred to as the Taxable Series 2009 Bonds. The Taxable Series 2009 Bonds were issued as taxable bonds under the Build America Bond program for which subsidy payments equal to 35% of the interest payments on such bonds are expected to be made by the federal government. However, due to mandatory federal budget reductions from the sequestration approved by Congress in 2012, the District's federal subsidy payment was reduced by 8.7% in federal fiscal year 2012/13, 7.2% in federal fiscal year 2013/14, 7.3% in federal fiscal year 2014/15 and 6.8% in federal fiscal year 2015/16. The District anticipates continued similar reductions in subsidy payments until sequestration is ended by Congress. The District is required to pay the full interest payments each year despite such reductions in federal subsidy payments.*

(e) *Herein referred to as the Series 2012 Bonds.*

(f) *Herein referred to as the Series 2013 Bonds.*

Annual Debt Service Requirements of General Obligation Bonded Indebtedness To Be Outstanding. The District will have the following annual debt service requirements after the issuance of the Bonds:

TABLE 8

Fiscal Year	Net Limited Assessed Valuation *(a)*	Total Debt Service *(b)*	Tax Rate *(c)*	Principal	Interest	Total Debt Service	Tax Rate	Total Debt Service	Total Tax Rate *(c)*
2014/15	$ 42,693,971	$1,179,223	$2.6636					$1,179,223	$2.6636
2015/16	46,490,826	1,181,148	2.5181					1,181,148	2.5181
2016/17	51,681,976	1,184,850	2.4132	$ 70,000	$ 213,027 *(d)*	$ 283,027	$ 0.5765	1,467,877	2.9897
2017/18	51,681,976	1,183,072	2.4096	75,000	210,450	285,450	0.5814	1,468,522	2.9910
2018/19	51,681,976	1,180,066	2.4035	80,000	208,950	288,950	0.5885	1,469,016	2.9920
2019/20	51,681,976	1,180,201	2.4038	85,000	206,550	291,550	0.5938	1,471,751	2.9976
2020/21	51,681,976	1,178,184	2.3997	90,000	204,000	294,000	0.5988	1,472,184	2.9985
2021/22	51,681,976	1,179,191	2.4017	95,000	200,400	295,400	0.6017	1,474,591	3.0034
2022/23	51,681,976	1,178,464	2.4002	100,000	196,600	296,600	0.6041	1,475,064	3.0043
2023/24	51,681,976	1,175,751	2.3947	100,000	192,600	292,600	0.5960	1,468,351	2.9907
2024/25	51,681,976	1,175,964	2.3951	105,000	188,600	293,600	0.5980	1,469,564	2.9931
2025/26	51,681,976	1,176,774	2.3968	110,000	184,400	294,400	0.5996	1,471,174	2.9964
2026/27	51,681,976	1,175,281	2.3938	115,000	180,000	295,000	0.6008	1,470,281	2.9946
2027/28	51,681,976	1,176,231	2.3957	120,000	175,400	295,400	0.6017	1,471,631	2.9973
2028/29	51,681,976	1,174,541	2.3922	125,000	170,600	295,600	0.6021	1,470,141	2.9943
2029/30	51,681,976	1,175,124	2.3934	130,000	165,600	295,600	0.6021	1,470,724	2.9955
2030/31	51,681,976	1,172,751	2.3886	135,000	160,400	295,400	0.6017	1,468,151	2.9903
2031/32	51,681,976	1,171,999	2.3871	145,000	155,000	300,000	0.6110	1,471,999	2.9981
2032/33	51,681,976	1,116,631	2.2743	205,000	149,200	354,200	0.7214	1,470,831	2.9957
2033/34	51,681,976	580,880	1.1831	750,000	141,000	891,000	1.8147	1,471,880	2.9978
2034/35	51,681,976	-	0.0000	1,360,000	111,000	1,471,000	2.9961	1,471,000	2.9961
2035/36	51,681,976	-	0.0000	1,415,000	56,600	1,471,600	2.9973	1,471,600	2.9973
				$5,410,000	$3,470,377	$8,880,377			

(a) *Fiscal years 2014/15 and 2015/16 are actual. 2016/17 estimate provided by the County Assessor.*

(b) *Interest is net of reduction for the federal interest subsidy payments related to the Taxable Series 2009 Bonds. See footnote (d) to TABLE 7.*

(c) *Fiscal years 2014/15 and 2015/16 represents actual secondary tax rates from debt service only. Subsequent years include 5% delinquency factor.*

(d) *The first interest payment on the Bonds will be due on January 15, 2017. Thereafter, interest payments will be made semiannually on July 15 and January 15 until maturity or prior redemption.*

OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS

Overlapping General Obligation Bonded Indebtedness

Overlapping general obligation bonded indebtedness is shown below including a breakdown of each overlapping jurisdiction's applicable general obligation bonded indebtedness, Net Assessed Property Value for Secondary Tax Purposes and combined tax rate per $100 Net Assessed Property Value for Secondary Tax Purposes. Outstanding bonded indebtedness is comprised of general obligation bonds outstanding and general obligation bonds scheduled for sale. The applicable percentage of each jurisdiction's Net Assessed Property Value for Secondary Tax Purposes which lies within the District's boundaries was derived from information obtained from the County Assessor. **See "RISK FACTORS - Direct and Overlapping Indebtedness."**

TABLE 9

Direct and Overlapping Jurisdiction	2015/16 Net Assessed Property Value for Secondary Tax Purposes	General Obligation Bonded Debt Outstanding *(a)*	Proportion Applicable to the District Based on 2015/16 Net Assessed Property Value for Secondary Tax Purposes: Approximate Percent	Net Debt Amount	2015/16 Combined Tax Rate Per $100 Net Assessed Property Value for Secondary Tax Purposes *(b)*
State of Arizona *(c)*	$ 55,352,051,074	None	0.08%	None	None
Maricopa County *(d)*	35,079,646,593	None	0.13	None	$1.8663
Maricopa County Community College District	35,079,646,593	$ 593,820,000	0.13	$ 771,966	1.4940
Maricopa County Special Health Care District	35,079,646,593	106,000,000	0.13	137,800	0.3021
Western Maricopa Education Center District No. 402	12,803,898,697	72,995,000	0.36	None	0.0698
Wickenburg Unified School District No. 9	148,063,651	7,169,000	31.40	2,251,066	5.0810
City of Buckeye	320,169,039	None	14.52	None	1.8000
The District *(e)*	46,490,826	18,640,000	100.00	18,640,000	2.8181
Total Net Direct and Overlapping General Obligation Bonded Debt				$ 21,800,832	

(a) Includes total stated principal amount of general obligation bonds outstanding. Does not include outstanding principal amount of certificates of participation, revenue obligations or loan obligations outstanding for the jurisdictions listed above. Does not include outstanding principal amounts of various County improvement districts, as the obligations of these districts are presently being paid from special assessments against property within the various improvement districts.

Does not include presently authorized but unissued general obligation bonds of such jurisdictions which may be issued in the future as indicated in the following table. Additional bonds may also be authorized by voters within overlapping jurisdictions pursuant to future elections.

Overlapping Jurisdiction	*General Obligation Bonds Authorized but Unissued*
Maricopa County Special Health Care District	*$829,000,000*
***The District** (e)*	*152,455,000*

Also does not include the obligation of the Central Arizona Water Conservation District ("CAWCD") to the United States Department of the Interior (the "Department of the Interior"), for repayment of certain capital costs for construction of the Central Arizona Project ("CAP"), a major reclamation project that has been substantially completed by the Department of the Interior. The obligation is evidenced by a master contract

between CAWCD and the Department of the Interior. In April 2003, the United States and CAWCD agreed to settle litigation over the amount of the construction cost repayment obligation, the amount of the respective obligations for payment of the operation, maintenance and replacement costs and the application of certain revenues and credits against such obligations and costs. Under the agreement, CAWCD's obligation for substantially all of the CAP features that have been constructed so far will be set at $1.646 billion, which amount assumes (but does not mandate) that the United States will acquire a total of 667,724 acre feet of CAP water for federal purposes. The United States will complete unfinished CAP construction work related to the water supply system and regulatory storage stages of CAP at no additional cost to CAWCD. Of the $1.646 billion repayment obligation, 73% will be interest bearing and the remaining 27% will be non-interest bearing. These percentages will be fixed for the entire 50-year repayment period, which commenced October 1, 1993. CAWCD is a multi-county water conservation district having boundaries coterminous with the exterior boundaries of Arizona's Maricopa, Pima and Pinal Counties. It was formed for the express purpose of paying administrative costs and expenses of the CAP and to assist in the repayment to the United States of the CAP capital costs. Repayment will be made from a combination of power revenues, subcontract revenues (i.e., agreements with municipal, industrial and agricultural water users for delivery of CAP water) and a tax levy against all taxable property within CAWCD's boundaries. At the date of this Official Statement, the tax levy is limited to 14 cents per $100 of Net Full Cash Assessed Value, of which 14 cents is being levied. (See Sections 48-3715 and 48-3715.02, Arizona Revised Statutes.) There can be no assurance that such levy limit will not be increased or removed at any time during the life of the contract.

(b) The combined tax rate includes the tax rate for debt service payments, which is based on the secondary assessed valuation of the entity, and the tax rate for all other purposes such as maintenance and operation and capital outlay, which generally is based on the primary assessed valuation of jurisdictions other than special districts and on the secondary assessed valuation of special districts such as the District.

(c) Includes the "State Equalization Assistance Property Tax" which is levied by the County and has been set at $0.5054 per $100 Net Assessed Property Value for Secondary Tax Purposes for fiscal year 2015/16. Such amount is adjusted annually pursuant to Section 41-1276, Arizona Revised Statutes.

(d) The County's tax rate includes the $0.1400 tax rate of CAWCD, the $0.1592 tax rate of the Maricopa County Flood Control District, the $0.0556 tax rate of the County Free Library, the $0.3021 tax rate of the Maricopa Special Health Care District and the $0.0116 tax rate of the County Fire District contribution. It should be noted that the County Flood Control District does not levy taxes on personal property.

(e) Includes the Bonds. Does not include special assessment revenue bonds outstanding in the aggregate principal amount of $5,461,000. See "Other Debt of the District" herein.

Source: The various entities, *Property Tax Rates and Assessed Values,* Arizona Tax Research Association, *the Property Tax Abstract*, Arizona Department of Revenue and the Assessor of the County. Note that Net Assessed Property Value for Secondary Tax Purposes is described as "Net Assessed Value" in the Property Tax Abstract.

Additional General Obligation Bonded Indebtedness of the District

In addition to the Series 2006 Bonds, the Series 2007 Bonds, the Series 2009 Bonds, the Taxable Series 2009 Bonds, the Series 2012 Bonds, the Series 2013 Bonds and the Bonds, the District retains the right to issue, in accordance with the procedures set forth in the Enabling Act, additional series of bonds payable from *ad valorem* taxes. See "SECURITY FOR AND SOURCES OF PAYMENT - *Ad Valorem* Property Taxation in the District -- General Obligation Bonded Indebtedness to be Outstanding." **See also "RISK FACTORS - Direct and Overlapping Indebtedness."**

The Enabling Act provides that the total aggregate outstanding amount of bonds and any other indebtedness for which the full faith and credit of the District are pledged will not exceed 60 percent of the aggregate of the estimated market value of the real property and improvements in the District after the public infrastructure of the District is completed plus the value of the public infrastructure owned or to be acquired by the District with the proceeds of the bonds. (Based solely on the Full Cash Value of the District as reported by the County Assessor, the Board has

determined that issuance of the Bonds will meet the test set forth above. See "SECURITY FOR AND SOURCES OF PAYMENT - *Ad Valorem* Property Taxation in the District -- Full Cash Value.")

Pursuant to the Election, the District was authorized to incur general obligation bonded indebtedness in an amount not to exceed $175,000,000 and will have $152,455,000 of such amount remaining after issuance of the Bonds in order to finance, among other things, the costs of public infrastructure purposes within the District, including incidental costs. Additional indebtedness could be authorized for the District in the future pursuant to other elections.

Additional Overlapping General Obligation Bonded Indebtedness

The District has no control over the amount of additional indebtedness payable from taxes on all or a portion of the property within the District that may be issued in the future by other political subdivisions, including but not limited to the City, the County, Wickenburg Unified School District No. 9 of Maricopa County, Arizona, Western Maricopa Education Center District No. 402 of Maricopa County, Arizona, Maricopa County Community College District or other entities having jurisdiction over all or a portion of the land within the District. Additional indebtedness could be authorized for such overlapping jurisdictions in the future. **See "RISK FACTORS - Direct and Overlapping Indebtedness."**

Other Debt of the District

To finance costs to acquire certain public infrastructure for development of land in the District, the District has issued Special Assessment Revenue Bonds with the series designations, in principal amounts on the dates, with acreages of land within the District assessed to pay debt service, with the district numbers and with amounts assessed per lot as described in the table below. All of the infrastructure financed with such bonds has been or will be dedicated to the City.

TABLE 10

Series Designation	Original Principal Amount	Date Issued	Acres Assessed	Assessment District No.	Assessment Per Lot	Total Outstanding
2005	$1,448,000	11/17/2005	152.2	1	$2,000	$ 1,120,000
2007	1,868,000	04/04/2007	275.8	2&3	2,000	1,502,000
2007	1,784,000	10/17/2007	245.2	4&5	2,000	1,465,000
2009	356,000	11/19/2009	43.5	6	2,000	327,000
2011	404,000	04/07/2011	79.3	7	2,000	378,000
2013	186,000	07/31/2013	25.6	8	2,000	181,150
2015	288,000	07/21/2015	36.1	9	2,000	288,000
2016	200,000	03/24/2016	37.7	10	2,000	200,000

Other series of assessment bonds payable solely from and secured by special, separate funds established and maintained by the District from installments due with respect to certain other special assessments may be issued by the District in the future.

The term "special assessments" as used hereinabove refers to the assessments which would be levied and assessed by the District in the related assessment area which would encompass portions of the District, each of which would constitute a first lien on the parcel so levied and assessed, subordinate and subject only to general property taxes (including that for the Bonds) and prior special assessments. The per lot assessment is approximately $2,000 payable with interest in installments. If a lot owner fails to pay an assessment installment when due, the lot can be offered for sale by the District for the amount of the assessment together with interest, costs and penalties. Neither the District nor the City is obligated to bid at the sale. The lien for the property taxes levied to pay the Bonds is senior to the lien of such assessments; however, the lien for such assessments is not extinguished by foreclosure with regard to taxes. There can be no assurance that additional amounts of such bonds payable from special assessments

will not be issued in the future, increasing the amount of liens on property in the District for such purposes. **SEE "RISK FACTORS - Direct and Overlapping Indebtedness."**

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM" or the "Bond Insurer") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as APPENDIX E – "SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2016 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $475.0 million, $41.6 million and $433.4 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at buildamerica.com/creditinsights/. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon.. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at buildamerica.com/obligor/. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

RISK FACTORS RELATED TO BOND INSURANCE

The following are risk factors relating to bond insurance generally. In the event of default of the payment of principal or interest with respect to any of the Bonds when all or some become due, any owner of the Bonds on which such principal or interest was not paid will have a claim under the Policy for such payments. In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds will remain payable solely from ad valorem property taxes as described under "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS." In the event the Bond Insurer becomes obligated to make payments with respect to the Bonds, no assurance will be given that such event will not adversely affect the market price of the Bonds and the marketability (liquidity) of the Bonds.

The long-term ratings on the Bonds will be dependent in part on the financial strength of the Bond Insurer and its claims paying ability. The Bond Insurer's financial strength and claims paying ability will be predicated upon a number of factors which could change over time. No assurance will be given that the long-term rating of the Bond Insurer and of the rating on the Bonds insured by the Bond Insurer will not be subject to downgrade, and such event could adversely affect the market price of the Bonds and the marketability (liquidity) of the Bonds.

The obligations of the Bond Insurer will be general obligations of the Bond Insurer, and in an event of default by the Bond Insurer, the remedies available may be limited by applicable bankruptcy law, state receivership or other similar laws related to insolvency of insurance companies.

None of the District, the Underwriter (as defined herein), or their respective attorneys, agents or consultants have made independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer will be given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal of and interest on the Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment.

LAND DEVELOPMENT

The information contained in this section relates to and has been obtained from Pulte, unless otherwise sourced or noted, and neither the District nor the Underwriter assumes any responsibility for the accuracy or completeness thereof. The information included under the heading "RISK FACTORS" as it relates to the information contained under this heading is hereby incorporated under this heading by this reference.

In General

The District consists of approximately 4,015 acres being planned and developed as a mixed-use, master-planned community. The District is located approximately 35 miles northwest of downtown Phoenix, Arizona, in the northern portion of the City, approximately 17 miles north of Interstate 10 on the Sun Valley Parkway. The District is approximately nine miles west of current development within the City of Surprise, Arizona, along the Sun Valley Parkway. See the map on page (iii) and the aerial photograph on page (iv). Pulte's current production operations within the District consist of 3,308 of the 4,015 acres within the District marketed as "Festival Ranch" (the "Project" or "Festival Ranch"), composed of an "age restricted" residential community marketed as "Sun City Festival" and a "conventional" community marketed as "Festival Foothills." Certain amenities such as a golf course and recreation centers have been constructed by Pulte and more are planned. Limited commercial development has been undertaken by other owners within the District.

Pulte acquired its portion of the property in the District in October, 2004, having commenced entitlements and pre-development prior to closing. Construction of infrastructure improvements and certain amenities commenced in August, 2005, and the first residential sales closed in 2006. Since that time, Pulte has spent approximately $212,000,000 to provide water, sewer, streets, curbs, gutters, a golf course, a recreation center, an arts and crafts center, baseball fields and other facilities and has continued to ready additional property Pulte owns in the District for residential and commercial development. Pulte also has continued to market and sell its varied residential products. Overall, Pulte has commenced and/or completed improvements to approximately 1,600 acres of the property it owns in the District. See "Residential Development" and "THE PUBLIC INFRASTRUCTURE."

While other entities own approximately 707 acres of land in the District outside of the Project, it is not anticipated that such other owners will be developing their property in the District in the foreseeable future. Pulte is the only homebuilder that owns land within the District.

Land Development Agreements/Community Master Plan

The real property in the District is subject to a Development Agreement with the City, dated October 4, 2000 (the "Land Development Agreement"), which addresses the rights of, among others, owners to develop property in the District as provided in and subject to the conditions of such Agreement. The Land Development Agreement has been modified by way of several recorded amendments and references herein to the Land Development Agreement mean such agreement as amended. The Land Development Agreement addresses various issues often times made the subject of development agreements in Arizona, such as, among other things, City services, reimbursements to Pulte for certain public infrastructure, the City's processing of plans and permits, and public bidding. The Land Development Agreement and certain subsequent agreements also address the legal right to obtain, and the legal obligation to provide, potable water and the required capital and operations contributions to the City for water,

sewer, police and fire services within the District. Police, fire and sanitation services are provided to the District by the City. Pulte is obligated to assist in the funding of certain capital and operational costs associated with the provision of water, sewer, police and fire protection for the real property in the District that is subject to the Land Development Agreement. The City has determined that Pulte has achieved the level of progress and completion required by the Land Development Agreement for continued development under and in accordance with the same, and has determined that the Land Development Agreement will continue in full force and effect for its entire term. The real property in the District is also subject to a Development, Financing Participation and Intergovernmental Agreement No. 1 by and among the City, the District and, among others, Pulte, relating to the formation and operation of the District.

The real property in the District is subject to a community master plan originally approved by the City on October 4, 2000 (the "Community Master Plan"). Several amendments to the Community Master Plan have been adopted by the City. The latest amendment, which added certain areas owned by Pulte to the Community Master Plan and the Land Development Agreement, was executed on October 21, 2008. References to the Community Master Plan mean such Plan as amended. The Community Master Plan covers substantially more property than the property in the District. An Area Plan, which includes the property within the District, was adopted by the City on June 17, 1997.

Although the number of acres devoted to each particular land use may ultimately vary from those presented, the development of the District in accordance with the Community Master Plan by Pulte and other owners is currently expected to include the following land uses:

TABLE 10

Total Project	Approximate District Acres
Single Family Residential	3,190
2 Golf Courses and Recreation Centers	475
Commercial	350
Total	4,015

The Community Master Plan allows 14,226 residential units within the District, the majority of which are planned as single family residences. The Community Master Plan also allows development of approximately 7.3 million square feet of commercial space within the District. Development of the property within the District and construction of homes and other infrastructure is subject to obtaining various development and construction approvals and permits. As a condition to the sale of homes, homebuilders will be required to obtain building and any additional permits required for the construction and completion of all such homes and other infrastructure. See "RISK FACTORS."

Additional Entitlements

Development in areas with significant natural drainage such as Festival Ranch often requires the United States Army Corps of Engineers ("USACE") to determine if any such drainage areas are within the USACE's jurisdiction. If any drainage areas are in USACE's jurisdiction, a "Section 404" permit would be required to allow development or disturbance of such drainage areas. In December 2011, USACE approved the Jurisdictional Determination (the "Determination") as submitted by Pulte indicating that only Wagner Wash in Festival Ranch is within USACE's jurisdiction. Since no additional development in Wagner Wash is anticipated within the defined Determination, no "Section 404" permit is required. The Determination is valid for five years and can be extended upon request and application for additional years. In fact, Pulte has obtained an extension of the "Determination for an additional four (4) years (until 2020)". There can be no assurance that any future extension will be granted as and when requested.

Even with the approved Community Master Plan, development still requires certain approvals from the City for preliminary and final plats prior to construction of improvements. To date, Pulte has recorded 16 final plats (not including replatting of existing final plats) that include 3,555 lots within the District. Pulte also has obtained approval of eight preliminary plats for 805 residential lots on property within the District. Combining preliminary

plats and final plats there are 4,360 entitled lots. Of those lots included in final plats, 3,034 have been improved with utilities and paved streets, and of those, 2,648 have had homes constructed and closed on them as of March 30, 2016, while the balance of those lots (approximately 386 lots) are ready and available for immediate residential construction. Pulte is in the process of obtaining final plats for the lots which are subject to preliminary plats. See "RISK FACTORS."

Residential Development

Pulte is responsible for the construction of all offsite infrastructure and subdivision improvements necessary to deliver fully finished lots. The "active adult" residences currently constructed by Pulte range in size from 1,573 to 2,509 square feet; and such homes are priced from $200,990 to $413,696 prior to purchaser – selected upgrades. Pulte ceased building and sales in the conventional home area marketed as Festival Foothills in mid-2011 due to market conditions and recommenced sales and building in that area in early 2013. Based on consumer feedback, Pulte has introduced new models to meet current market expectations as to style and features. The new models and updates were made available to consumers in early 2014. The following table shows the number of "active adult" and "conventional" home sales Pulte has closed for the periods indicated:

TABLE 11

Year	Active Adult Home Closings	Conventional Home Closings	Total Residential Closings Per Year
2006	143	0	143
2007	578	83	661
2008	318	184	502
2009	204	67	271
2010	120	46	166
2011	105	19	124
2012	129	0	129
2013	169	21	190
2014	164	25	189
2015	149	65	214
2016 *(a)(b)*	37	21	58
Cumulative Totals	2,117	531	2,648

(a) *Through March 30, 2016.*

(b) *As of March 30, 2016, there were 131 homes under construction in the District.*

Pulte operates one model home complex located in Sun City Festival. In 2013, new model homes were introduced into the community and previous models were discontinued. The new model home complex is located within the District and is adjacent to the existing model home complex, and the existing 12,000 square foot Sun City Festival Sales Center. The 18-hole Copper Canyon Golf Course is owned and operated by the homeowners association for Sun City Festival and a 31,000+/- square foot recreation center, a 15,000+/- square foot restaurant/clubhouse/cart barn, a softball complex, a 9,000 square foot arts and crafts center and related recreational amenities are also complete within Sun City Festival and will be owned and operated by the same homeowners association. The golf course and related facilities are operated by the homeowner's association, which is subsidized in part by Pulte. Festival Foothills includes a 12+/- acre neighborhood park, splash pad, and a linear park with trails throughout.

THE PUBLIC INFRASTRUCTURE

The information contained in this section relates to and has been obtained from Pulte, unless otherwise sourced or noted, and neither the District nor the Underwriter assumes any responsibility for the accuracy or completeness thereof. The information included under the heading "RISK FACTORS" as it relates to the information contained under this heading is hereby incorporated under this heading by this reference.

In addition to the infrastructure described under the heading "OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS – Other Debt of the District," certain infrastructure is being constructed in connection with the development and construction of residential and commercial development as described hereinbelow. Except as set forth under the heading "PUBLIC INFRASTRUCTURE FINANCED BY THE BONDS," none of such infrastructure is being financed with proceeds of the sale of the Bonds, but instead will be financed by Pulte and may be the subject of acquisition from proceeds of future bond offerings by the District.

Water Reclamation Facility

Current plans for sewer service within the District call for a multi-phase water reclamation facility (the "WRF") which is designed to handle all development within the District. Such facility will ultimately be owned and operated by the City. This facility may be constructed in multiple phases of 0.50 million gallons of capacity each. The City has also secured an additional MAG 208 Amendment that includes areas outside the District and allows for a significant increase in the size of the WRF in the future. The primary effluent discharge method will be re-use for irrigation purposes on the golf courses. Such discharge is currently being used by the City and will require certain permits before it will be available for irrigation use. Until additional effluent is available, the golf course will be irrigated in part with a portion of Pulte's Central Arizona Project water allotment. Pulte and certain other owners of property inside and outside of the District have entered into a joint development agreement for the cooperative development of future phases of the WRF. Pursuant to such joint agreement, Pulte has the right to construct additional phases for its own accord if need be.

Construction of the first phase of the WRF (the "First Phase") is complete, and such facility is being operated by the City and is past the warranty period. The first phase is able to serve approximately 5,200 residential units within the District. Current development plans include commencement of the planning and construction for future expansion phases (up to an additional 1.0 million gallons per day capacity) with the construction to commence, depending upon market conditions and demand. The actual number of units that can be served will depend in part on whether the unit is an age restricted (active adult) or conventional unit. Active adult units generally have fewer residents per unit and generate less wastewater on a gallons per day basis than conventional units. Based upon residential sales to date, there should be sufficient remaining sewer capacity within the First Phase to support approximately 2,500 additional residences without the construction of any additional expansion phases to the WRF, depending upon the split of usage between active adult and conventional uses.

Water Production Campus

Water service for the district is provided by three water production campuses which are operated by the City. The first water production campus (Water Plant #1 and Well #1), is located at the southeast corner of Desert Vista Boulevard and Beardsley Parkway. The second water production campus (Well #2) is located approximately a quarter mile west of Water Plant #1. The third water production plant (Well #3) is located approximately a quarter mile north of the Water Plant #1. Water Plant #1 is planned for 2.4 million gallons of total storage (constructed in two phases of 1.2 million gallons), and contains a production well and booster pumps. Current development plans include the future planning and construction of additional wells, storage, and booster facilities to be connected into Water Plant #1, and the timing of additional facilities will be dependent upon demand, market conditions, and physical water source characteristics. The current water system is capable of supporting approximately 5,200 active adult and 1,350 conventional residential units. As with wastewater usage and capacity, there is also a difference in the water demand between active adult and conventional units, with active adult units utilizing significantly less water on a gallons per day basis. All Arizona Department of Water Resources ("ADWR") permits and approvals have been secured for the three existing well facilities. Construction of Water Plant #1 (except for the second phase

storage tank of 1.2 million gallons and certain ancillary equipment) and the three production wells have been substantially completed.

Assured Water Supply

Currently, the City is not designated as having an assured water supply service area pursuant to applicable Arizona law. The City has submitted an application with the ADWR to obtain a designation of having an assured water supply. If the City receives such designation, the City will utilize Pulte water sources to supply water to property owned or developed by Pulte in the District. Until the City receives such designation, in order to plat, subdivide and sell lots, owners of property in the District must obtain a Certificate of Assured Water Supply (a "Certificate") from ADWR. Obtaining Certificates requires, among other things, a hydrology study supporting determinations that sufficient water will be continuously available to satisfy the water needs of the proposed use for at least 100 years, that any projected groundwater use is consistent with the water management plan approved by ADWR and achievement of the management goal for the area, and that the financial capability to construct the delivery system exists. The City has agreed to take all reasonable steps to assist Pulte in connection with applications for Certificates for portions of such area and entering into such contracts as may reasonably be required by the Central Arizona Groundwater Replenishment District pursuant to applicable Arizona law which are required in order for the area to qualify as "member land" under applicable Arizona law. See "RISK FACTORS."

The District lies within the Lower Hassayampa Groundwater Sub-Basin. Property within the District is expected to be served primarily from groundwater from the Lower Hassayampa Groundwater Sub-Basin.

On January 22, 2004, ADWR issued an Analysis of Assured Water Supply (the "Analysis") for the property within the District. In the Analysis, ADWR determined that 7,690 acre feet per year of groundwater will be physically available for 100 years, which is equivalent to the projected build-out demands for the District. The proposed development evaluated by ADWR includes 3,208 single family residential lots, 9,018 active adult single family residential lots, 1,450 multi-family residential units and 1,122 nonresidential acres containing commercial areas, a hospital, schools, parks, rights of way, a community center, easements, and golf courses.

The Analysis is used in support of applications for Certificates. With respect to the property covered by the Analysis, four Certificates have been issued by ADWR. The first was issued November 23, 2004, for 3,473 lots, with an estimated water demand of 2,130.14 acre feet per year. The second was issued May 7, 2006, for 819 lots, with an estimated water demand of 608.72 acre feet per year. The third was issued on February 5, 2009 for 608 lots with an estimated water demand of 646.81 acre feet per year. The fourth was issued on April 8, 2009 for 259 lots with an estimated water demand of 258.63 acre feet per year. Applications for Certificates for the remainder of the property within the District will be dependent upon market conditions and demand.

On November 13, 2012 an Extension of the Analysis of Assured Water Supply was issued by ADWR, which acknowledged the existing Certificates of Assured Water Supply that were previously issued (3,644.30 acre feet per year to be physically available for 100 years). An extension of the original Analysis was granted until January 22, 2019, and established that the remaining groundwater capacity of 4,045.70 acre feet per year shall be available for future applications. The extension also indicated that all other conditions of the original Analysis shall continue to apply.

Maintaining sufficient water supplies in the Lower Hassayampa Groundwater Sub-Basin may require efforts to supplement the groundwater supply through purchase of water for use or recharge and through recharge and reuse of treated effluent, all at levels greater than currently in place. The cost of facilities for effluent recharge and reuse are substantial. Failure to maintain sufficient supplies in the Lower Hassayampa Groundwater Sub-Basin may prevent further development from obtaining Certificates. ADWR may revoke a Certificate if an assured water supply does not exist, but cannot revoke a Certificate if any of the residential lots within the plat have been sold. As to the Certificates issued November 23, 2004, for 3,473 lots, May 7, 2006, for 819 lots and February 5, 2009, for 608 lots, at least one lot has been sold in such areas. Loss of, or inability to obtain, necessary Certificates may have adverse effects on development of land within the District and on repayment of the Bonds. See "RISK FACTORS - Completion of the Public Infrastructure and the Other Infrastructure."

Streets/Water and Sewer Lines

Pulte plans to construct on property it owns within the District all required arterial and collector roads (including related landscaping), all sewer trunk lines and any required wastewater treatment, and all water distribution and water supply facilities.

Completed improvements include the following: approximately 34,500 lineal feet of trunk sewer, approximately 57,696 lineal feet of water supply and distribution lines, storm drain, paving and concrete on (i) Canyon Springs Boulevard from Sun Valley Parkway past Beardsley Parkway to Tina Lane; (ii) Desert Vista Boulevard from Beardsley Parkway in Festival Foothills past Canyon Springs Boulevard looping back to Beardsley Parkway in Sun City Festival; (iii) Mountain Ridge Boulevard from Desert Vista Boulevard to Desert Oasis Boulevard; (iv) Desert Oasis Boulevard from Sun Valley Parkway to Beardsley Parkway; (v) Beardsley Parkway from Desert Vista in Sun City Festival to Desert Vista in Festival Foothills; and (vi) Desert Vista Boulevard from Beardsley Parkway to Firehawk Drive. Construction of future roadways will be dependent on existing roadway capacities and the need to provide safe vehicular access within the District.

Approximately 19,020 linear feet of arterial roadway (3.60 miles) and 17,742 linear feet of collector roadway (3.36 miles) have been constructed in the District by Pulte. Such infrastructure also includes approximately 137,150 linear feet of local streets (25.97 miles). Such "Public Infrastructure" was completed as of March 2016 and has been or will be dedicated to the City.

Pulte has, or plans in the future to, publicly bid the improvements outlined above and plans to pay for the construction of same. Pulte anticipates that these improvements will be eligible to be reimbursed from future bond offerings by the District.

Police and Fire

A joint police and fire facility (the "Public Safety Building") is currently under construction at the southwest corner of Dessert Oasis Boulevard and Beardsley Parkway. The $6,200,000.00 facility is being constructed jointly by the City and Pulte, with funding provided by both parties. Construction of the Public Safety Building should be completed by the third quarter of 2016, with the Facility being equipped and open shortly thereafter. To date, Pulte has provided a temporary police and fire facility at the southeast corner of Beardsley Parkway and Canyon Springs Boulevard. This facility will remain operational until the Public Safety Building is completed and operational.

Other

Electrical service for the District is provided by Arizona Public Service Company. Telephone and data service is provided by Cox Communications and Zona Communication. Cable television service is provided by Cox Communications.

The District is located in Wickenburg Unified School District No. 9. A K-8 school is located within Festival Foothills. This elementary school opened in the Fall of 2008. High school students attend Wickenburg High School.

The District receives primary vehicular access from Sun Valley Parkway. Provisions for arterial and collector vehicular access provide additional access within property subject to the District. A feasibility study is being prepared by the Maricopa County Department of Transportation regarding the location of a proposed parkway connecting Highway 85 to State Route 74 and Highway 60. Depending upon the results of such study, additional access may be available to the property in the District. However, Pulte is currently unsure of the final location of the proposed parkway.

PUBLIC INFRASTRUCTURE FINANCED BY THE BONDS

The information contained in this section relates to and has been obtained from Pulte, unless otherwise sourced or noted, and neither the District nor the Underwriter assumes any responsibility for the accuracy or completeness thereof. The information included under the heading "RISK FACTORS" as it relates to the information contained under this heading is hereby incorporated under this heading by this reference.

Proceeds of the Bonds will be used, and proceeds of prior bond issuances have been used, to finance certain public infrastructure (the "Public Infrastructure Financed by the Bonds"), which is comprised of approximately 34,500 linear feet of trunk sewer lines constructed throughout the District and approximately 19,000 linear feet of arterial roadway (2.3 miles) and 17,742 linear feet of collector roadway (3.36 miles) constructed in the District, including landscaping, approximately 137,150 linear feet of local streets (25.97 miles), Water Plant #1 and Wells #1, #2 and #3, approximately 57,699 linear feet (10 miles) of water line, approximately 49,500 linear feet (9.37 miles) of reclaimed water lines, the WRF and related facilities. The Public Infrastructure Financed by the Bonds was completed in or prior to April 2016 and has been or will be dedicated to the City. The total estimated cost of the Public Infrastructure Financed by the Bonds is greater than the amount to be available from proceeds of the sale of the Bonds; the balance of the cost of the Public Infrastructure Financed by the Bonds has been paid by Pulte. Unreimbursed costs of Public Infrastructure Financed by the Bonds may be eligible to be reimbursed by the sale of bonds by the District in the future should the District elect to issue such additional bonds.

PULTE

The information contained in this section relates to and has been obtained from Pulte, and neither the District nor the Underwriter assumes any responsibility for the accuracy or completeness thereof. The information included under the heading "RISK FACTORS" as it relates to the information contained under this heading is hereby incorporated under this heading by this reference.

Pulte is a wholly-owned subsidiary of PulteGroup, Inc., a Michigan corporation formerly known as Pulte Homes, Inc., which is a publicly traded company listed on the New York Stock Exchange ("PulteGroup"). PulteGroup is subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith file reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information (collectively, the "Filings") may be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 and Northwestern Atrium Center, 400 West Madison Street, Suite 1400, Chicago, Illinois. Copies of the Filings can be obtained from the public reference section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. In addition, the Filings may also be inspected at the offices of the NYSE at 20 Broad Street, New York, NY 10005. The Filings may also be obtained through the Internet on the Commission's EDGAR database at http://www.sec.gov. None of the District, Gust Rosenfeld P.L.C. ("Bond Counsel"), the Underwriter or Greenberg Traurig, LLP ("Counsel to the Underwriter") has examined the information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same. The Company operates in more than 900 communities across 29 states and the District of Columbia, and serves all major customer segments through its family of brands that includes Pulte Homes, Centex and Del Webb.

SOURCES AND APPLICATION OF FUNDS

Sources

Par Amount of Bonds		$5,410,000.00
Original Issue Premium		534,963.35
Pulte Contribution		237,380.00
	Total	$6,182,343.35

Applications

Cost of Acquisition		$5,891,681.09
Payment of Costs of Issuance *(a)*		290,662.26
	Total	$6,182,343.35

(a) Includes premium on the Policy and compensation and costs of the Underwriter with respect to the Bonds.

RISK FACTORS

THIS SECTION SETS FORTH A BRIEF SUMMARY OF SOME OF THE PRINCIPAL RISK FACTORS IN INVESTING IN THE BONDS. PROSPECTIVE INVESTORS SHOULD FULLY UNDERSTAND AND EVALUATE THESE RISKS, IN ADDITION TO THE OTHER FACTORS SET FORTH IN THIS OFFICIAL STATEMENT, BEFORE MAKING AN INVESTMENT DECISION. INVESTMENT IN THE BONDS SHOULD BE MADE ONLY AFTER CAREFUL EXAMINATION OF THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES HERETO.

General Risks of Real Estate Investment and Development; Certain Factors Which May Adversely Affect Development; Consequences

Investments in developing real estate such as undeveloped areas in the District are generally considered to be speculative in nature and to involve a high degree of risk. Owners of land in the District will be subject to the risks generally incidental to real estate investments and development including those described herein below.

Construction of houses on the lots within the District may be affected by changes in the income tax treatment of real property ownership; changes in national, regional and local market and economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes to be built in the District, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; force majeure (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; subcontractor defaults; and other unknown contingencies and factors beyond the control of the owners of such land. Land development within the District also could be affected adversely by changes in governmental policies, including, but not limited to, governmental policies to restrict or control development.

The residential development business, particularly with respect to communities such as that within the boundaries of the District, is highly competitive in the Phoenix metropolitan area. The business of merchant builders building in the District will face competition from a number of competitors in the City and other developments throughout the Phoenix metropolitan area, many of which offer or intend to offer lots and parcels in similar communities to a similar target market.

Decreased absorption rates associated with future economic slowdowns could adversely affect land values and reduce the ability or desire of the property owners to pay ad valorem property taxes and assessments. In that event, there could be a default in the payment of principal of and interest on the Bonds.

Vacant lots also provide less security to the holders of the Bonds should it be necessary for the District to foreclose due to nonpayment of ad valorem taxes. An inability to develop the remaining land within the District would likely reduce the diversity of ownership of land within the District, making the holders of the Bonds more dependent upon timely payment of the ad valorem taxes levied on the vacant lots.

Development requires obtaining a variety of governmental approvals and permits. Such approvals and permits are necessary to initiate construction and to allow the sale and occupancy of homes and to satisfy conditions included in the approvals and permits. There can be no assurance that all of these permits and approvals can be obtained or that the conditions to the approvals and permits can be fulfilled. The failure to in any of the required approvals or fulfill any one of the conditions could cause materially adverse financial results.

Failure or Inability to Complete Proposed Development

The development of land in the District will be staged so that only a particular phase is planned to be developed at one time. Funding for development of property in the District will be provided by third-party lenders, Pulte and other sources. The availability of funding for the completion of Sun City Festival and Festival Foothills will depend upon the demand for residential lots or units within such communities and local, regional and national market and

economic conditions. No assurance is given that funding will be obtained for development of property in the District, or, if obtained, will be in an amount sufficient to complete development of Festival Foothills and Sun City Festival. If satisfactory funding is unavailable, Pulte may be required to delay or suspend completion of the development of the balance of Sun City Festival and Festival Foothills.

Public and private on-site and off-site improvements may increase the public and private debt for which the land within the District is security. The burden of additional debt would be placed on the land within the District to complete the necessary improvements. See "Direct and Overlapping Indebtedness."

Completion of the Public Infrastructure and the Other Infrastructure

The assessed valuation of the taxable property in the District may increase if and as the development of the Project continues. However, less than expected increases or decreases in the future assessed valuation of the taxable property in the District may reduce the willingness of landowners to pay the ad valorem property taxes securing the Bonds or adversely affect the interest of potential buyers of such property at any foreclosure sale for purposes of paying such taxes. See also "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS - Ad Valorem Property Taxation in the District."

The construction of infrastructure for development of the land in the District is not yet complete. See "LAND DEVELOPMENT" and "THE PUBLIC INFRASTRUCTURE." The cost and time for completion of all of such improvements is uncertain and may be affected by changes like those described hereinabove. If cost overruns result in delay of construction, or if other delays are experienced, sale of lots and construction of homes may be delayed. Failure or inability to complete proposed development including development of necessary utilities could affect adversely development of the land in the District.

Sale of Portions of the Land in the District

It is possible that Pulte or other land owners within the District may sell portions of their land to other owners. Such new owners may not develop their land on the same schedule as Pulte or the other land owners, thus slowing the pace of growth and delaying increases in assessed valuation.

Availability of Utilities

Water and sewer service to the District will be provided by the City as described under the subheading "THE PUBLIC INFRASTRUCTURE." Failure or inability to complete proposed development including development of necessary utilities could affect adversely development of the land in the District. See "Failure or Inability to Complete Proposed Development." Certain utilities are to be developed by the City pursuant to certain development agreements including as described above. There can be no assurances that such utilities will be financed and developed.

Effect of Valuation of Property

Information is provided herein with respect to the valuation of land within the District. See "SECURITY FOR AND SOURCES OF PAYMENT - Ad Valorem Property Taxation in the District." Such valuation, and particularly decreases therein, may reduce the willingness of landowners to pay the ad valorem taxes securing the Bonds, as well as adversely affect the interest of potential buyers of such property at any foreclosure sale for purposes of paying such taxes.

Direct and Overlapping Indebtedness

The ability of an owner of land within the District to pay its ad valorem taxes could be affected by the existence of other taxes and assessments imposed upon the property, including special assessment bonds. The District and other political subdivisions whose boundaries overlap those of the District could, without the consent of the District and, in certain cases, without the consent of the owners of the land within the District, impose additional ad valorem taxes or assessment liens on the property within the District in order to finance public improvements to be located inside or outside of the District. (The existing public debt relating to the District is set forth in "OVERLAPPING.

ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS.") The lien created on the property within the District through the levy of ad valorem taxes would be on a parity with that for the ad valorem taxes securing the Bonds. The imposition of additional parity liens, junior liens, in the case of special assessments, or even private financing, may reduce the ability or willingness of the owners of land within the District to pay the ad valorem property taxes securing the Bonds. In that event, there could be a default in the payment of the Bonds.

From time to time there are legislative proposals in the Arizona Legislature that, if enacted, could alter the basis on which ad valorem taxes (including those that secure the Bonds) are assessed, levied and collected and which could affect, among other things, the distribution of the amount of taxes various classifications of property may be obligated to pay. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would affect the Bonds or other obligations issued prior to enactment.

Bankruptcy and Foreclosure Delays

The payment of the ad valorem taxes securing the Bonds and the ability of the District to foreclose the lien of delinquent, unpaid, ad valorem taxes may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. Although bankruptcy proceedings would not extinguish the ad valorem taxes securing the Bonds, the bankruptcy of a property owner could result in a delay in the foreclosure proceedings. Such delay would increase the likelihood of a delay or default in payment of the Bonds when due. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – *Ad Valorem* Property Taxation in the District."

It should be noted that in the event of a bankruptcy of a taxpayer pursuant to the United States Bankruptcy Code (the "Bankruptcy Code"), the law is currently unsettled as to whether a lien can be attached against the taxpayer's property for property taxes levied during the pendency of the bankruptcy proceedings. Such taxes might constitute an unsecured and possible non-interest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are over secured, and then possibly only on a pro rata basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact the bankruptcy of a property owner might have on the ability of the District to collect ad valorem taxes levied on that property before or during the bankruptcy proceedings. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on the property.

When a debtor files or is forced into bankruptcy, any act to obtain possession of the debtor's estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover any claim against the debtor or its estate that arose before the commencement of the bankruptcy is automatically stayed pursuant to the Bankruptcy Code. While the stay may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor in bankruptcy would be subject to the stay of bankruptcy court. Furthermore, "tax sale investors" may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of post-bankruptcy petition tax collections become uncertain.

In the event the District is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the District's tax rate charged to non-bankrupt taxpayers during such subsequent years.

It cannot be determined what impact any deterioration of the financial condition of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of or the secondary market for the Bonds. Neither the District, the Underwriter or their respective agents or consultants have undertaken any independent investigation of the operations and financial condition of any of the property owners in the District, nor have they assumed responsibility for the same.

In addition, the various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified, as to the enforceability of the various legal instruments, by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Amendment of Documents Referenced

The reports, inspections and other documents described in this Official Statement may be modified, updated or amended (as new reports and/or inspections may be obtained), and such modifications may materially and adversely affect the development of the property (e.g., updating of environmental reports).

The development of the property within the District is only approximately 30 percent complete. Circumstances could change as the development process continues and other issues are raised or new developers or owners become involved. Accordingly, Pulte anticipates that there may be significant changes to the agreements and contracts summarized in this Official Statement to address any such issues. Because the existing contracts and agreements are subject to change, the summaries of any contracts or agreements contained hereinabove may not accurately reflect the future conditions relating to the development of the District; however, Pulte does not presently anticipate that any modifications of the current contracts or agreements would materially affect the repayment of the Bonds.

Environmental Matters

Property in the District will be subject to risks arising out of environmental, archaeological and biological considerations generally associated with the ownership of real estate and the construction of improvements located thereon. Such risks include, in general, potential liability arising as a result of any contamination later discovered on the site and the possibility of a decline in property values in Festival Foothills and Sun City Festival resulting from any contamination on the site or from the proximity of the site to other contaminated areas; or discovery of archaeological artifacts located on the site or in the vicinity of the site; discovery of endangered species of animals, plants or other habitat for endangered species and a determination of the waterways of the United States against dredging or fill. Liability may arise under a variety of federal, state or local environmental laws and regulations, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Resource Conservation and Recovery Act (RCRA), the Endangered Species Act and the National Historical Preservation Act. In addition, development may require approvals and actions under the Clean Water Act and the National Environmental Protection Act may limit, delay or change materially the number and type of development on the site.

Projections

Included in this Official Statement are various projections. The projections are based on assumptions concerning future events and should be viewed with an abundance of caution. Circumstances that may not yet be ascertainable, which Pulte believes to be significant and which Pulte cannot control may also exist. There are usually differences between projections and results, because events frequently do not occur as expected, and those differences may be material. There can be no assurances that the various projections set forth in this Official Statement can be achieved.

Cancellation of Contracts

The State, its political subdivisions, including the District, or any department or agency of either may, within three years after its execution, cancel any contract, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions (including the District) or any of the departments or agencies of either is, while the contract or any extension thereof is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. Cancellation of contracts entered into by the District may adversely affect the Bonds.

LITIGATION

No litigation or administrative action or proceeding is pending to restrain or enjoin, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, the levy and collection of taxes to pay the debt service on the Bonds, to contest or question the proceedings and authority under which the Bonds have been authorized and are to be issued,

sold, executed or delivered, or the validity of the Bonds. Representatives of the District will deliver a certificate to the same effect at the time of the initial delivery of the Bonds.

TAX EXEMPTION

In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming continuing compliance with certain restrictions, conditions and requirements by the District as described below, interest income on the Bonds is excluded from gross income for federal income tax purposes. In the opinion of Bond Counsel, interest income on the Bonds is exempt from State income taxes. The opinion of Bond Counsel will be dated as of the date of initial delivery of the Bonds. The form of such opinion is included as APPENDIX B – "FORM OF LEGAL OPINION OF BOND COUNSEL" attached hereto.

The Internal Revenue Code of 1986, as amended, (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 its investment earnings with respect to the Bonds. The District has covenanted to comply with the provisions of the Code relating to such matters. 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, under certain circumstances, from the date of initial issuance. The Bonds do not provide for an adjustment in the interest rate or yield in the event of taxability and an event of taxability does not cause an acceleration of the principal on the Bonds. The opinion of Bond Counsel assumes continuing compliance with such covenants.

The Code also imposes an "alternative minimum tax" upon certain corporations and individuals. A taxpayer's "alternative minimum taxable income" ("AMTI") is its taxable income with certain adjustments. Interest income on the Bonds is not an item of tax preference to be included in the AMTI of individuals or corporations.

Notwithstanding the preceding sentence, one of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess (if any) of the corporation's "adjusted current earnings" over the corporation's AMTI for the taxable year (determined without regard to such adjustment for excess book income and the alternative tax net operating loss deduction). A corporation's "adjusted current earnings" includes all tax-exempt interest, including the interest on the Bonds.

Although Bond Counsel will render an opinion that, as of the delivery date of the Bonds, interest income on the Bonds is excluded from gross income for federal income tax purposes, the accrual or receipt of interest on the Bonds may otherwise affect a Beneficial Owner's (as defined in APPENDIX C – "BOOK-ENTRY-ONLY SYSTEM") federal tax liability. Certain taxpayers may experience other tax consequences. Taxpayers who become Beneficial Owners of the Bonds, including without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain subchapter S corporations, individuals who receive Social Security or Railroad Retirement benefits and taxpayers who have or are deemed to have incurred indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the applicability of such tax consequences to the respective Beneficial Owner. The nature and extent of these other tax consequences will depend upon the Beneficial Owner's particular tax status and the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

The Bonds are not "private activity bonds" within the meaning of Section 141 of the Code.

Currently and from time to time, there are legislative proposals in Congress, which, if enacted or made effective, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. Any such change that occurs before initial delivery of the Bonds could cause Bond Counsel to deliver an opinion substantially different from the opinion shown in APPENDIX B – "FORM OF LEGAL OPINION OF BOND COUNSEL". The extent of change in Bond Counsel's opinion cannot be determined at this time. It cannot be predicted whether, when or in what form any such proposal or proposals might be enacted or whether, if enacted, such proposal or proposals would apply to obligations (such as the Bonds) issued prior to the enactment or effective date. Prospective purchasers should consult with their own tax advisors regarding any other pending or proposed federal income tax legislation.

BOND PREMIUM

The initial public offering prices of the Bonds (for purposes of this section, the "Premium Bonds") are greater than the respective amounts payable on such Premium Bonds at maturity. An amount equal to the difference between the Issue Price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial Beneficial Owner of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial Beneficial Owner must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial Beneficial Owner is determined by using such Beneficial Owner's yield to maturity. Beneficial Owners of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium with respect to the Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning Premium Bonds.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Board has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code, which relates to the ability of certain financial institutions to deduct interest expense allocable to holding and carrying tax-exempt obligations for federal income tax purposes. Representatives of the Board will represent and warrant that they do not anticipate that the aggregate amount of tax-exempt obligations that will be issued by or on behalf of the District in calendar year 2016 will exceed $10,000,000.

RATINGS

S&P is expected to assign the rating of "AA" (stable outlook) to the Bonds with the understanding that the Policy will be delivered by BAM simultaneously with the issuance of the Bonds. S&P has also assigned the underlying rating of "BBB" to the Bonds. Such ratings reflect only the view of S&P. An explanation of the significance of any rating assigned by S&P may be obtained at 55 Water Street, 38th Floor, New York, New York 10041-0003. Such ratings may be revised downward or withdrawn entirely at any time by S&P if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds. The District has covenanted in its continuing disclosure undertaking that it will file notice of any formal change in any rating relating to the Bonds. See "CONTINUING DISCLOSURE" and APPENDIX D – "FORM OF CONTINUING DISCLOSURE UNDERTAKING" hereto.

LEGAL MATTERS

The Bonds are sold with the understanding that the District will furnish the Underwriter with the approving opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Bond Counsel addressing legal matters relating to the validity of the Bonds under Arizona law, and with regard to the tax-exempt status of the interest thereon (see "TAX EXEMPTION"). The signed legal opinion of Bond Counsel is dated and premised on the law in effect only as of the date of original delivery of the Bonds and will be delivered to the District at the time of original issuance. The fees of Bond Counsel and Counsel to the Underwriter are expected to be paid from the proceeds of the sale of the Bonds and are contingent upon delivery of the Bonds.

The proposed text of the legal opinion is set forth as APPENDIX B – "FORM OF LEGAL OPINION OF BOND COUNSEL." The legal opinion to be delivered may vary from the text of APPENDIX B – "FORM OF LEGAL OPINION OF BOND COUNSEL" if necessary to reflect the facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution, by recirculation of this Official Statement or otherwise, should not be construed as a representation that Bond Counsel has reviewed or expressed any opinion concerning any matters relating to the Bonds subsequent to the original delivery of the Bonds.

Bond Counsel has reviewed the information in the tax caption on the cover page as well as the information under the headings "THE BONDS," "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS," "TAX EXEMPTION," "BOND PREMIUM," "CONTINUING DISCLOSURE" (except as it relates to compliance with prior continuing disclosure certificates) and "RELATIONSHIP AMONG PARTIES" (but only as it applies to Bond Counsel) and in APPENDICES B – "FORM OF LEGAL OPINION OF BOND COUNSEL" and D – "FORM OF CONTINUING DISCLOSURE UNDERTAKING" but otherwise has not participated in the preparation of this Official Statement and will not pass upon its accuracy, completeness or sufficiency. Bond Counsel has neither examined nor attempted to examine nor verify any of the financial or statistical statements or data contained in this Official Statement and will express no opinion with respect thereto.

Certain legal matters will be passed upon for the Underwriter by Greenberg Traurig, LLP, Counsel to the Underwriter.

Currently and from time to time, there are legislative proposals (and interpretations of such proposals by courts of law and other entities and individuals) which, if enacted, could alter or amend the property tax system of the State and numerous matters, both financial and non-financial, affecting the operations of community facilities districts which could have a material effect on the District and could adversely affect the secondary market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to obligations (such as the Bonds) issued prior to enactment.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. The rendering of an opinion also does not guarantee the outcome of any legal dispute that may arise out of the transaction.

UNDERWRITING

The Bonds will be purchased by Stifel, Nicolaus & Company, Incorporated (the "Underwriter") at an aggregate purchase price of $5,846,483.35, pursuant to a bond purchase agreement (the "Bond Purchase Agreement") entered into by and between the District and the Underwriter. If the Bonds are sold to produce the yields shown on the inside front cover page hereof, the Underwriter's compensation will be $98,480.00. The Bond Purchase Agreement provides that the Underwriter will purchase all of the Bonds so offered if any are purchased. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into unit investment trusts) and others at prices higher or yields lower than the public offering prices or yields stated on the inside front cover page hereof. The initial offering yields set forth on the inside front cover page may be changed, from time to time, by the Underwriter.

CONTINUING DISCLOSURE

The District will covenant for the benefit of certain owners of the Bonds to provide certain financial information and operating data relating to the District by not later than February 1 in each year commencing February 1, 2017 (the "Annual Reports"), and to provide notices of the occurrence of certain enumerated events (the "Notices of Listed Events"). The Annual Reports, the Notices of Listed Events and any other document or information required to be filed by the District as such will be filed with the MSRB through, EMMA, as described in APPENDIX D – "FORM OF CONTINUING DISCLOSURE UNDERTAKING." The specific nature of the information to be contained in the Annual Reports and the Notices of Listed Events is also set forth in APPENDIX D - "FORM OF CONTINUING DISCLOSURE UNDERTAKING." These covenants will be made in order to assist the Underwriter in complying with the Securities and Exchange Commission's Rule 15c2-12(b)(5) (the "Rule"). A failure by the District to comply with these covenants must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price. *Pursuant to Arizona Law, the ability of the District to comply with such covenants will be subject to*

annual appropriation of funds sufficient to provide for the costs of compliance with such covenants. Should the District not comply with such covenants due to a failure to appropriate for such purpose, the District has covenanted to provide notice of such fact to the MSRB. Absence of continuing disclosure, due to non-appropriation or otherwise, could adversely affect the Bonds, specifically their market price and transferability.

Continuing disclosure undertakings previously entered into by the District called for the District to file an annual report with respect to the fiscal year ended June 30, 2012, by February 1 of the following fiscal year. The District failed to properly attribute the correct CUSIP numbers on EMMA for the annual report with respect to the fiscal year ended June 30, 2012, for the Series 2012 Bonds. The District properly attributed the correct CUSIP numbers on EMMA for the annual report with respect to the fiscal year ended June 30, 2012, for the Series 2012 Bonds as of November 6, 2013. The District reviewed its filing requirements pursuant to the Prior Undertakings and has implemented procedures it believes will facilitate compliance with all current and future undertakings in all material respects.

FINANCIAL ADVISOR

FirstSouthwest, a Division of Hilltop Securities Inc. (the "Financial Advisor") has been engaged by the District for the purpose of advising the District as to certain debt service structuring matters specific to the Bonds and on certain matters relative to the District's overall debt financing program. The Financial Advisor has assisted in the assembly and preparation of this Official Statement at the direction and on behalf of the District. No person is entitled to rely on the Financial Advisor's participation as an assumption of responsibility for, or an expression of opinion of any kind with regard to, the accuracy and completeness of the information contained herein.

RELATIONSHIP AMONG PARTIES

Bond Counsel has previously represented, and is currently representing, the Underwriter with respect to other financings and has acted or is acting as bond counsel with respect to other bonds underwritten by the Underwriter and may do so in the future. Bond Counsel also serves and has served as bond counsel for one or more of the political subdivisions that the District territorially overlaps. Counsel to the Underwriter has previously acted as bond counsel with respect to other bonds underwritten by the Underwriter and may continue to do so in the future if requested.

The Underwriter and the Financial Advisor have underwritten or acted as financial advisor with respect to bonds issued by the City and other overlapping political subdivisions.

This Official Statement has been approved, executed and delivered by the District.

FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT

By: /s/ Jackie A. Meck
District Chairman, District Board

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APPENDIX A

INFORMATION REGARDING THE CITY OF BUCKEYE, ARIZONA

The following information concerning the City is for background information only as the District lies within the geographical limits of the City. THE BONDS ARE NOT AN OBLIGATION OF THE CITY IN ANY RESPECT. THE BONDS ARE DIRECT GENERAL OBLIGATIONS OF THE DISTRICT, PAYABLE FROM AD VALOREM TAXES LEVIED AGAINST ALL TAXABLE PROPERTY IN THE DISTRICT, AS DESCRIBED UNDER THE HEADING "SECURITY FOR AND SOURCES OF PAYMENT."

General

The City is located approximately 30 miles from downtown Phoenix, Arizona ("Phoenix"), approximately four miles south of Interstate 10 on State Route 85. The City was founded in 1888 and incorporated in 1929. The City's municipal boundaries encompass approximately 650 square miles and sits at an elevation of 888 feet above sea level. Not all property within the perimeter boundaries of the City are annexed into the City, however over 392 square miles are annexed into the City.

The following table illustrates respective population statistics for the City, the County and the State.

POPULATION STATISTICS

Calendar Years	City of Buckeye	Maricopa County	State of Arizona
2015 Estimate *(a)*	61,173	4,076,438	6,758,251
2010 Census	50,876	3,817,117	6,392,017
2000 Census	8,497	3,072,149	5,130,632
1990 Census	4,436	2,122,101	3,665,339
1980 Census	3,434	1,509,175	2,716,546
1970 Census	2,599	971,228	1,775,399

(a) Estimate as of July 1, 2015.

Source: Arizona Department of Commerce, Population Statistics Unit and the U.S. Census Bureau.

Transportation

State Route 85, connecting the City with Phoenix, runs north to south just west of downtown Buckeye. Interstate 10 also traverses the northern portion of Buckeye. Buckeye has an airport adjacent to Interstate 10 with plans for a future runway extension. Buckeye Municipal Airport is used by small, general aviation aircraft. Sky Harbor International Airport in Phoenix provides passenger air service. Bus lines are also available in the Phoenix metropolitan area.

Government

The City operates under a Council-Manager form of government. The Mayor and six council members are elected at large to four-year terms. The City Council for Buckeye appoints a Manager who has full responsibility for carrying out council policies and administering operations.

The City provides a portion of its residents with water and sewer services; electricity is provided by Arizona Public Service Company, natural gas is provided by Southwest Gas Company and telephone service is provided by CenturyLink Communications Inc. In some areas of Buckeye water and/or sewer services are provided by private utility companies.

Economy

The Roosevelt and Buckeye Irrigation canals provide a renewable supply of water for the City's farming needs. Employment for Buckeye's residents is provided by agricultural activity services, education, government and the nearby Palo Verde Nuclear Plant. The Palo Verde Nuclear Plant is located outside the boundaries of the City approximately 20 miles west. The close proximity of the City to the greater Phoenix metropolitan area also provides employment. Part of the City's agricultural production includes Pima cotton which is processed in local cotton gins and exported worldwide. See below for certain historic employment information and a list of major employers located in and within close proximity of the City.

MAJOR EMPLOYERS
City of Buckeye, Arizona

Employer	Description	Approximate Number of Employees
State of Arizona	Government	1,090
Wal-Mart Distribution Center	Distribution center and retail	800
Buckeye Elementary School District No. 33	Education	450
City of Buckeye	Government	420
Buckeye Union High School District No. 210	Education	350
Litchfield Elementary School District No. 79	Education	225
Fry's Food Store	Grocery	190
Lowe's Home Improvement	Retail	150
Agua Fria Union High School District No. 216	Education	140
DMB Verrado Golf, LLC	Golf	110

Source: The City of Buckeye, Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2015 and Hoover's Inc., a D&B Company.

The table below illustrates the unemployment rate averages for the City, the County, the State and the United States.

UNEMPLOYMENT RATE AVERAGES

Calendar Year	City of Buckeye *(a)*	Maricopa County *(a)*	State of Arizona *(a)*	United States of America
2016 *(b)*	5.6%	4.5%	5.5%	5.0%
2015	6.2	5.2	6.2	5.3
2014	7.3	5.9	6.4	6.2
2013	9.0	6.6	7.9	7.4
2012	9.4	7.1	8.3	8.1
2011	10.8	8.4	9.4	8.9

(a) On February 29, 2012, the U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics program released 2011 annual average labor force estimates for census regions and divisions for all states. Data was revised back to January 2007 to incorporate new population controls, updated inputs,

re-estimation of models and adjustment to new census division and national control totals. On April 20, 2012, routine revisions were made to data from 2007 through 2011 for geographic areas below the State level. For all areas, estimation inputs were revised back to 2010, while the revisions for 2007 through 2009 consisted of controlling to the new State totals described above.

(b) Data through April 2016.

Source: Arizona Office of Unemployment and Population Statistics, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Economy

The County's economy is based on high technology manufacturing, light manufacturing and commercial activities (including construction and trade), tourism, government and agriculture. The table below illustrates the employment structure of the County.

NON-AGRICULTURAL EMPLOYMENT STRUCTURE *(a)*
Maricopa County, Arizona

	Percent of Total
Mining and construction	5.5%
Manufacturing	6.0
Trade, transportation and utilities	19.5
Information	2.0
Financial activities	9.1
Professional and business services	17.1
Educational and health services	14.9
Leisure and hospitality	11.0
Services and miscellaneous	3.4
Government	11.6
Total	100.0%

(a) Data through April 2016.

Source: Arizona Department of Commerce, Research Administration and the U.S. Department of Labor, Bureau of Labor Statistics.

LABOR FORCE AND NONFARM EMPLOYMENT
Maricopa County, Arizona

	2016 *(a)*	2015	2014	2013	2012	2011
Mining and construction	105,100	101,867	92,100	95,500	85,200	83,300
Manufacturing	114,900	113,508	113,300	113,800	110,300	108,300
Trade, transportation and utilities	373,600	363,825	354,900	356,900	319,000	344,500
Information	38,600	34,742	33,500	29,300	27,400	27,200
Financial activities	174,000	166,025	164,200	151,500	142,400	136,600
Professional and business services	328,700	314,025	304,700	283,200	278,600	260,900
Educational and health services	285,900	273,883	268,300	257,300	253,300	247,600
Leisure and hospitality	211,700	200,400	194,000	184,400	179,100	172,300
Other services	64,800	65,617	62,300	59,300	62,600	62,300
Government	223,600	215,050	212,400	211,800	212,400	211,600
Total	1,920,900	1,848,942	1,799,700	1,743,000	1,670,300	1,654,600

(a) Data through April 2016.

Source: Arizona Department of Commerce, Research Administration and the U.S. Department of Labor, Bureau of Labor Statistics.

Commerce

The following table illustrates taxable sales collections for Buckeye.

MUNICIPAL PRIVILEGE TAX COLLECTIONS
City of Buckeye, Arizona
($000s omitted)

Fiscal Year	Amount
2014/15	$19,677
2013/14	17,042
2012/13	16,349
2011/12	14,540
2010/11	12,272

Source: Arizona Department of Revenue, Municipal Privilege Tax Collection Program.

Educational Facilities

Elementary and high school education is available through five elementary school districts, two unified school districts and two union high school districts. Higher education is provided by Estrella Mountain Community College ten miles east of Buckeye; Arizona State University located in the eastern part of the greater Phoenix area in the City of Tempe, Arizona; and Arizona State University's west campus located in the northwestern part of the greater Phoenix area in the City of Glendale, Arizona.

Bank Deposits

The following table illustrates bank deposits for the County.

BANK DEPOSITS
Maricopa County, Arizona
(in millions)

Fiscal Year	Amount
2015	76,889
2014	70,254
2013	65,486
2012	61,674
2011	60,049

Source: Federal Deposit Insurance Corporation.

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APPENDIX B

FORM OF LEGAL OPINION OF BOND COUNSEL

[Closing Date]

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

Re: Festival Ranch Community Facilities District
(City of Buckeye, Arizona) General Obligation Bonds, Series 2016

Honorable Board:

At your request we have examined the official proceedings leading to the issuance of $5,410,000 aggregate principal amount of Festival Ranch Community Facilities District (City of Buckeye, Arizona) General Obligation Bonds, Series 2016, dated [Closing Date] issued by the Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "*District*").

We have examined the law and such documents and matters as we have deemed necessary to render this opinion including, without limitation, Resolution No. 04-16, passed and adopted by the District Board on May 17, 2016 (the "*Resolution*"). As to questions of fact material to our opinion we have relied upon, and assumed due and continuing compliance with the provisions of, the proceedings and other documents, and have relied upon certifications, covenants and representations furnished to us without undertaking to verify the same by independent investigation, including, without limitation, those with respect to causing interest on the bonds to be and remain excluded from gross income for federal income tax purposes.

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

1. The District is duly created and validly existing as a community facilities district and political subdivision of the State of Arizona with power to pass and adopt the Resolution, perform the agreements on its part contained therein and issue the Bonds.

2. The Resolution has been duly passed and adopted by the District Board.

3. The Bonds and the proceedings leading to and including the issuance thereof are legal and constitute a valid and binding general obligation of the District.

4. All taxable property within the District is subject to the levy of a direct, annual, ad valorem tax to pay the principal of and interest on the Bonds without limit as to rate or amount. It is required by law that there be levied, assessed and collected, at the same time and in the same manner as other taxes, an annual tax upon all taxable property in the District sufficient, together with any money from other sources lawfully available therefor, to pay the principal of and interest on the Bonds when due.

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 on the Bonds is not an item of tax preference to be included in computing the alternative minimum tax of individuals or corporations; such interest income must, however, be taken into account for federal income tax purposes as an adjustment to alternative minimum taxable income for certain corporations which income is subject to the federal alternative minimum tax. The Bonds are not private activity bonds within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "*Code*"). We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

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

The rights of the owners of the Bonds and the enforceability of those rights and the rights and obligations of the District with respect to the Resolution and to collection of taxes 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.

APPENDIX C

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds 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 Bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or held by the Registrar and Paying Agent for DTC.

DTC, the world's largest securities 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 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 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 is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Securities Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. 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" and together with the Direct Participants, the "Participants"). DTC has Standard & Poor's rating of: "AA+." 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.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("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 Bonds 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 the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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.

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 the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the

Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds 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 Bond Registrar and Paying Agent and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal of and interest on the Bonds and the redemption price of any Bond 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 the District or the Bond Registrar and Paying 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, the Bond Registrar and Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of and interest on the Bonds and the redemption price of any Bonds will be made to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or Bond Registrar and Paying 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.

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

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

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

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

$5,410,000
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2016

(CUSIP BASE NUMBER 315598)

This Undertaking is executed and delivered by Festival Ranch Community Facilities District (hereinafter referred to as the "Issuer"), in connection with the issuance of the captioned municipal securities (hereinafter referred to as the "Securities") for the benefit of the owners of the Securities, being the registered owners thereof or any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any of the Securities (including persons holding the Securities through nominees, depositories or other intermediaries) or is treated as the owner of any Securities for federal income tax purposes.

Section 1. Definitions.

"Annual Report" shall mean any annual report provided by the Issuer pursuant to, and as described in, Section 2.

"Authorizing Document" shall mean the resolution authorizing the issuance of the Securities.

"Dissemination Agent" shall mean any agent which has executed a dissemination agent agreement with the Issuer and such successors and assigns of such agent.

"EMMA" shall mean the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board. Information regarding submissions to EMMA is available at http://emma.msrb.org.

"Listed Events" shall mean any of the events listed in Section 3(a).

"Notice of Listed Event" shall mean any notice provided by the Issuer pursuant to, and as described in, Section 3.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Contents and Provision of Annual Reports.

(a) (i) ***THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, NOT LATER THAN FEBRUARY 1 OF EACH YEAR, COMMENCING FEBRUARY 1, 2017, PROVIDE THROUGH EMMA AN ANNUAL REPORT WHICH IS CONSISTENT WITH THE REQUIREMENTS OF SUBSECTION (b) OF THIS SECTION.***

(ii) ***IF THE ISSUER IS UNABLE OR FOR ANY OTHER REASON FAILS TO PROVIDE AN ANNUAL REPORT OR ANY PART THEREOF BY THE DATE REQUIRED IN SUBSECTION (a)(i) OF THIS SECTION, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, SEND A NOTICE TO THAT EFFECT NOT LATER THAN SUCH DATE THROUGH EMMA ALONG WITH THE OTHER PARTS, IF ANY, OF THE ANNUAL REPORT.***

(b) (i) The Annual Reports shall contain or incorporate by reference the following:

(A) Information of the type in TABLES 2, 3A, 4A, and 6 of the Official Statement, dated June 23, 2016, with respect to the Securities as well as with respect to tax collections and delinquencies in the preceding tax year of the Issuer.

(B) Audited financial statements for the preceding fiscal year, if any, such statements to be prepared on the basis of generally accepted accounting principles as applied to governmental units. (The Issuer does not currently obtain audited financial statements.) ***IF THE FISCAL YEAR OF THE ISSUER CHANGES, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, FILE A NOTICE OF SUCH CHANGE IN THE SAME MANNER AS FOR A NOTICE OF LISTED EVENT.***

(ii) The Annual Report may be submitted as a single document or as separate documents comprising a package and may incorporate by reference from other documents other information, including final official statements of debt issues of the Issuer or related public entities which have been submitted to the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so incorporated by reference.

(iii) ***If audited financial statements are to be included in an Annual Report but are not available in time to satisfy the requirements of Subsection (a)(i) of this Section, unaudited financial statements must be provided at the requisite time as part of the Annual Report and as soon as possible (but not later than 30 days) after such audited financial statements become available, the audited financial statements shall be provided through EMMA.***

Section 3. Reporting of Listed Events.

(a) This Section shall govern the giving of notices of the occurrence of any of the following events (the "Listed Events") with respect to the Securities:

1. Principal and interest payment delinquencies,

2. Nonpayment related defaults under the Authorizing Document, if material,

3. Unscheduled draws on debt service reserves reflecting financial difficulties,

4. Unscheduled draws on credit enhancements reflecting financial difficulties,

5. Substitution of the credit or liquidity providers or their failure to perform,

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations, in each case, with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities,

7. Modifications to rights of holders of the Securities, if material,

8. Bond calls, if material, or tender offers,

9. Defeasances,

10. Release, substitution or sale of property securing repayment of the Securities, if material,

11. Rating changes,

12. Bankruptcy, insolvency, receivership or similar events of the Issuer, being if any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer,

13. The consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material,

14. Appointment of a successor trustee or an additional trustee or the change of the name of the trustee, if material, and

15. Notice of a failure of the Issuer to provide required annual financial information on or before the date specified in Section 2 above, including any non-appropriation to cover applicable costs.

(b) Whether events subject to the standard "material" would be material shall be determined under applicable federal securities laws.

(c) Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Authorizing Document.

(d) ***THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, PROMPTLY, BUT NOT MORE THAN TEN (10) BUSINESS DAYS THEREAFTER, FILE A NOTICE OF LISTED EVENT OF SUCH OCCURRENCE THROUGH EMMA.***

Section 4. Termination of Reporting Obligation. The obligations of the Issuer pursuant to this Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Securities. ***THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, GIVE NOTICE OF SUCH TERMINATION THROUGH EMMA AS SOON AS PRACTICABLE, BUT NOT LATER THAN THE DATE AN ANNUAL REPORT WOULD OTHERWISE HAVE BEEN DUE.***

Section 5. Amendment or Waiver.

(a) Notwithstanding any other provision of this Undertaking, the Issuer may amend this Undertaking, and any provision of this Undertaking may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Issuer or type of business conducted; (ii) this Undertaking, as amended or affected by such waiver, would have complied with the requirements of the Rule at the time of the primary offering of the Securities, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (iii) such amendment or waiver does not materially impair the interests of the owners of the Securities, as determined either by parties (such as the bond counsel) unaffiliated with the Issuer or by an approving vote of the registered owners of the Securities pursuant to the terms of the Authorizing Document at the time of the amendments.

(b) The Annual Report containing amended operating data or financial information resulting from such amendment or waiver, if any, shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided. If an amendment or waiver is made specifying the accounting principles to be followed in preparing financial statements, the Annual

Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. To the extent reasonably feasible, such comparison also shall be quantitative. ***IF THE ACCOUNTING PRINCIPLES OF THE ISSUER CHANGE, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, FILE A NOTICE OF SUCH CHANGE IN THE SAME MANNER AS FOR A NOTICE OF LISTED EVENT.***

Section 6. Additional Information. Nothing in this Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Report or Notice of Listed Event, in addition to that which is required by this Undertaking. If the Issuer chooses to include any information in any Annual Report or Notice of Listed Event in addition to that which is specifically required by this Undertaking, the Issuer shall have no obligation under this Undertaking to update such information or include it in any future Annual Report or Notice of Listed Event.

Section 7. Default. In the event of a failure of the Issuer to comply with any provision of this Undertaking, any owner of a Security for the benefit of which this Undertaking is being provided may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Undertaking. A default under this Undertaking shall not be deemed an event of default for other purposes of the Authorizing Document, and the sole remedy under this Undertaking in the event of any failure of the Issuer to comply with this Undertaking shall be an action to compel performance.

Section 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist the Issuer in satisfying the obligations of the Issuer hereunder and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 9. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Undertaking and the applicable, related agency agreement, and, to the extent permitted by applicable law, the Issuer shall indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless for, from and against any loss, expense and liabilities which the Dissemination Agent may incur arising out of or in the exercise or performance of the powers and duties of the Dissemination Agent pursuant to this Undertaking and the applicable, related agency agreement, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the gross negligence or willful misconduct of the Dissemination Agent. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Securities.

Dated: [Closing Date]

FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT

By.....
Jackie A. Meck, Chairperson, District Board

APPENDIX E

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $_____ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _____

Risk Premium: $_____
Member Surplus Contribution: $_____
Total Insurance Payment: $_____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

SAMPLE

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____

Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
1 World Financial Center, 27th floor
200 Liberty Street
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)

SPECIMEN

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED JUNE 10, 2016

NEW ISSUE - BOOK-ENTRY-ONLY **RATING: STANDARD & POOR'S - "BBB" See "RATINGS" herein.**
INSURANCE: See "BOND INSURANCE" and "RISK FACTORS RELATED TO BOND INSURANCE" herein.

In the opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming continuing compliance with certain restrictions, conditions and requirements by the District, as mentioned under "TAX EXEMPTION" herein, interest income on the Bonds is excluded from gross income for federal income tax purposes. Interest income on the Bonds is not an item of tax preference to be included in computing the alternative minimum tax of individuals or corporations; however, such interest income must be taken into account for federal income tax purposes as an adjustment to alternative minimum taxable income for certain corporations, which income is subject to the federal alternative minimum tax. In the opinion of Bond Counsel, interest income on the Bonds is exempt from Arizona income taxes. See "TAX EXEMPTION," "ORIGINAL ISSUE DISCOUNT" and "BOND PREMIUM" herein.

The Board of Directors of the District has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended, which relates to the ability of certain financial institutions to deduct interest expense allocable to holding and carrying tax-exempt obligations for federal income tax purposes. Representatives of the Board of Directors of the District will represent and warrant that they do not anticipate that the aggregate amount of tax-exempt obligations that will be issued by or on behalf of the District in calendar year 2016 will exceed $10,000,000.

$5,575,000*
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2016
(BANK QUALIFIED)

Dated: Date of Initial Delivery *Due: As shown on the inside front cover page*

The $5,575,000* principal amount of Festival Ranch Community Facilities District (City of Buckeye, Arizona) General Obligation Bonds, Series 2016 (the "Bonds") will be issued in the form of fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available initially to ultimate purchasers through the book-entry-only system maintained by DTC in amounts of $5,000 of principal amount or integral multiples in excess thereof due on specified maturity dates. Interest on the Bonds (except defaulted interest, if any) will be paid semiannually on each January 15 and July 15 of each year, commencing January 15, 2017*. Payments of principal and interest will be paid by wire transfer to DTC for subsequent disbursements to DTC participants which will remit such payments to the beneficial owners of the Bonds. See APPENDIX C - "BOOK-ENTRY-ONLY SYSTEM."

SEE INSIDE FRONT COVER PAGE FOR MATURITY SCHEDULE

The Bonds are authorized pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended, and an election held on May 25, 2005, in and for Festival Ranch Community Facilities District, a community facilities district formed within the boundaries of the City of Buckeye, Arizona (the "District") and will be issued pursuant to a resolution of the Board of Directors of the District adopted on May 17, 2016. The Bonds will be payable as to both principal and interest from *ad valorem* taxes to be levied on all taxable property within the boundaries of the District, without limitation as to rate or amount. See "SECURITY FOR AND SOURCES OF PAYMENT."

Certain of the Bonds will be subject to optional redemption prior to their stated maturity dates as described under "THE BONDS – Redemption Provisions" herein.*

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY.**

Proceeds of the sale of the Bonds will be used to finance the acquisition of certain public infrastructure by the District, and pay costs of issuance for the Bonds.

Investment in the Bonds involves certain risks that each prospective investor should consider prior to investing. See "SECURITY FOR AND SOURCES OF PAYMENT" and "RISK FACTORS" herein.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF BUCKEYE, ARIZONA, THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) IS PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS WILL BE OBLIGATIONS OF THE DISTRICT ONLY. NONE OF THE CITY OF BUCKEYE, ARIZONA, THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) WILL HAVE ANY OBLIGATION WITH RESPECT TO DEBT SERVICE FOR THE BONDS.

The Bonds are offered when, as and if issued by the District and subject to the approval of Gust Rosenfeld P.L.C., Phoenix, Arizona, Bond Counsel. Certain legal matters will be passed upon for the District by its counsel, Gust Rosenfeld P.L.C., Phoenix, Arizona, for the Underwriter by its counsel, Greenberg Traurig, LLP, Phoenix, Arizona, and for Pulte Home Corporation by its counsel, Berens, Kozub, Kloberdanz & Blonstein, PLC, Scottsdale, Arizona. It is expected that delivery of the Bonds will be made through the facilities of DTC on or about June 30, 2016*.

This cover page contains certain information for general reference only. It is not a summary of the issue of which the Bonds are a part. Investors are advised to read this Official Statement in its entirety to obtain information essential to the making of an informed investment decision with respect to the Bonds.

STIFEL

* *Subject to change.*

$5,575,000*
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2016
(BANK QUALIFIED)

MATURITY SCHEDULE*
Base CUSIP®[1] No. 315598

Maturity Date (July 15)	Principal Amount	Interest Rate	Price or Yield	CUSIP®[1] No.
2017	$ 70,000	%	%	
2018	80,000			
2019	85,000			
2020	90,000			
2021	95,000			
2022	100,000			
2023	105,000			
2024	110,000			
2025	115,000			

$655,000 Term Bonds @ ____% Due July 15, 20__ - Price ____% CUSIP® No. 315598 ____
$4,070,000 Term Bonds @ ____% Due July 15, 20__ - Price ____% CUSIP® No. 315598 ____

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* *Subject to change.*

[1] *CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright© 2016 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, Bond Counsel, the Financial Advisor, the Underwriter or their agents or counsel assumes responsibility for the accuracy of such numbers.*

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

DISTRICT BOARD

Jackie A. Meck, *District Chairman*
Michelle Hess, *District Vice Chairman*
Robert Garza, *District Board Member*
Craig Heustis, *District Board Member*
Brian McAchran, *District Board Member*
Eric Orsborn, *District Board Member*
Ray Strauss, *District Board Member*

DISTRICT STAFF

Stephen S. Cleveland, *District Manager*
Larry D. Price, *District Treasurer*
Lucinda Aja, *District Clerk*

FINANCIAL ADVISOR

FirstSouthwest, a Division of Hilltop Securities Inc.
Phoenix, Arizona

BOND COUNSEL

Gust Rosenfeld P.L.C.
Phoenix, Arizona

BOND REGISTRAR AND PAYING AGENT

Zions Bank, a division of ZB, National Association
Phoenix, Arizona

This Official Statement, which includes the cover page, the inside front cover page and the appendices hereto, should be considered in its entirety, and no one subject should be considered less important than another by reason of location in the text. Brief descriptions of Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "District"), General Obligation Bonds, Series 2016 (the "Bonds"), the hereinafter described Bond Resolution, the security for the Bonds, the District, Pulte Home Corporation ("Pulte") and other information are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Bonds, the Bond Resolution and any other documents are qualified in their entirety by reference to such documents, copies of which may be obtained from Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), at 2325 East Camelback Road, Suite 750, Phoenix, Arizona 85016.

The information set forth herein has been obtained from the District, Pulte and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the Underwriter or FirstSouthwest, a Division of Hilltop Securities Inc. (the "Financial Advisor"). This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions or that they will be realized. The presentation of information, including tables of *ad valorem* tax rates and bonded general obligation indebtedness, in this Official Statement is intended to show recent historical information and, except as expressly stated otherwise, is not intended to indicate future or continuing trends. No representation is made that the past experience shown by such information will necessarily continue or be repeated in the future.

The Underwriter has provided the following sentence for inclusion in this Official Statement: "The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information."

The presentation of information, including tables of receipts from taxes and other sources, shows recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the District. All information, estimates and assumptions contained herein are based on past experience and on the latest information available and are believed to be reliable, but no representations are made that such information, estimates and assumptions are correct, will continue, will be realized or will be repeated in the future. To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of these statements have been or will be realized. All forecasts, projections, opinions, assumptions or estimates are "forward looking statements" that must be read with an abundance of caution and that may not be realized or may not occur in the future. Information other than that obtained from official records of the District has been identified by source and has not been independently confirmed or verified by the District, the Financial Advisor or the Underwriter and its accuracy cannot be guaranteed. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made pursuant hereto will, under any circumstances, create any implication that there has been no change in the affairs of the District or any of the other parties or matters described herein since the date hereof.

The Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or approved the Bonds for sale.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission.

The District will undertake to provide continuing disclosure as described in this Official Statement under the heading "CONTINUING DISCLOSURE" and in APPENDIX D – "FORM OF CONTINUING DISCLOSURE UNDERTAKING," all pursuant to Rule 15c2-12 of the Securities and Exchange Commission.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM THE INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS, AND THE UNDERWRITER MAY OVERALLOT OR ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET IN ORDER TO FACILITATE THEIR DISTRIBUTION. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE" and APPENDIX E – "SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

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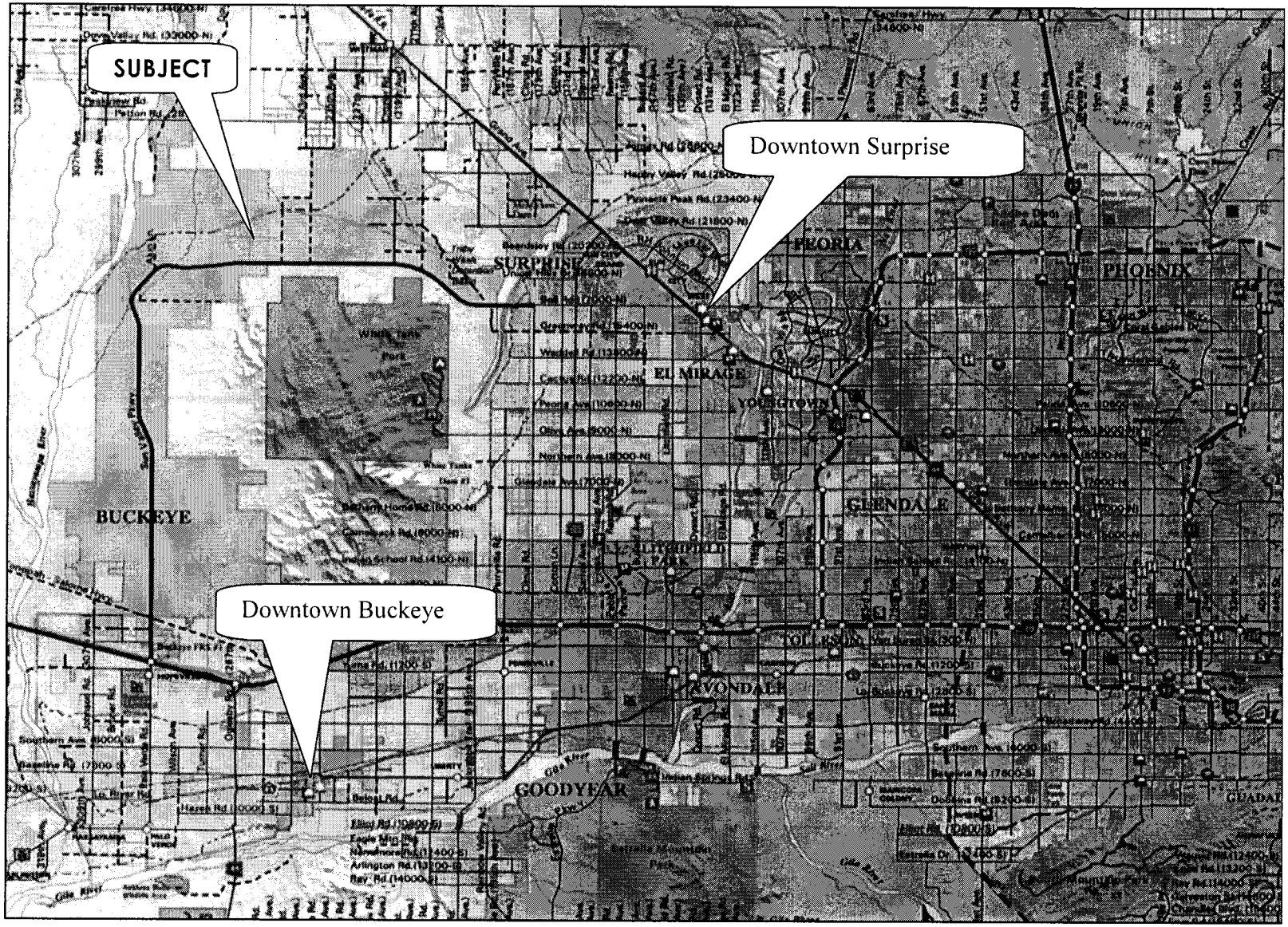
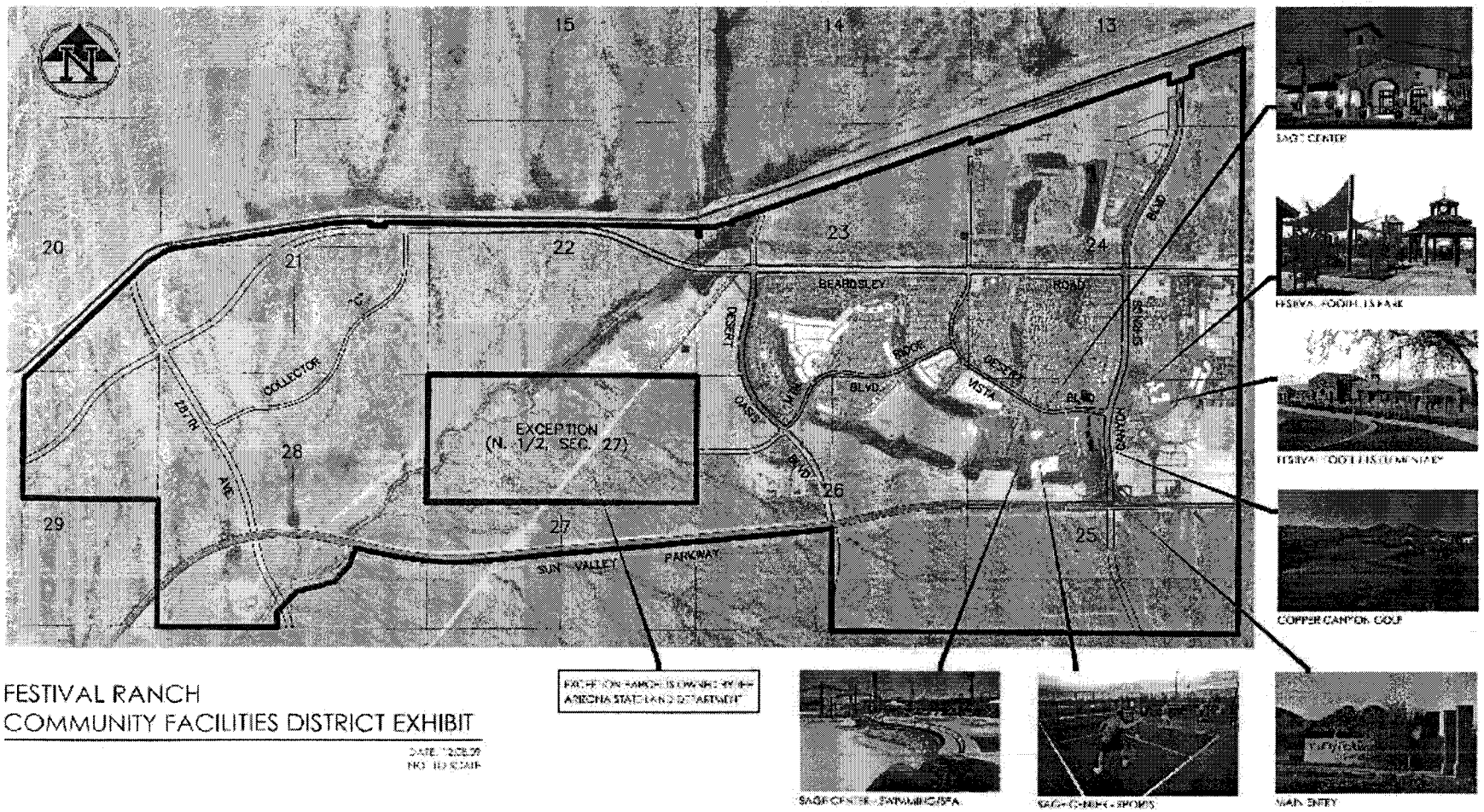
MAP SHOWING LOCATION OF THE DISTRICT
WITHIN METROPOLITAN PHOENIX AREA



AERIAL PHOTOGRAPH OF THE DISTRICT



FESTIVAL RANCH
COMMUNITY FACILITIES DISTRICT EXHIBIT

DATE: 12.08.09
NO TO SCALE

$5,575,000*
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2016
(BANK QUALIFIED)

This Official Statement, which includes the cover page, the inside front cover page and the appendices hereto, provides certain information concerning the issuance of $5,575,000* principal amount of Festival Ranch Community Facilities District (City of Buckeye, Arizona) General Obligation Bonds, Series 2016 (the "Bonds").

THE DISTRICT

Pursuant to the Community Facilities District Act of 1988, constituting Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended (the "Enabling Act"), and in response to a petition by Pulte Home Corporation, a corporation organized and existing pursuant to the laws of the State of Michigan ("Pulte"), the Mayor and Council (the "City Council") of the City of Buckeye, Arizona (the "City"), adopted a resolution on April 19, 2005, which formed Festival Ranch Community Facilities District (the "District"). See APPENDIX A - "INFORMATION REGARDING THE CITY OF BUCKEYE, ARIZONA" hereto for information about the City and the information under the heading "PULTE" herein for information about Pulte.

The District encompasses approximately 4,015 acres within the City and is located approximately 34 miles west of downtown Phoenix, Arizona, 17 miles north of Interstate 10 and nine miles west of current development within the City of Surprise, Arizona. See the map on page (iii) with respect to the location of the District and the aerial photograph of the District on page (iv).

The District is a special purpose, tax levying public improvement district for purposes of the constitution of the State of Arizona (the "State" or "Arizona") and a municipal corporation for certain purposes of the laws of the State. Except as otherwise provided in the Enabling Act, the District is considered to be a municipal corporation and political subdivision of the State, separate and apart from the City. Members of the City Council serve as members of the Board of Directors of the District (the "Board"), and the City Manager of the City serves as the District Manager.

The District has provided, pursuant to the terms of certain development agreements among the City, Pulte and the District, financing for the acquisition of certain public infrastructure necessary for development of the land within the boundaries of the District. See "LAND DEVELOPMENT." The District has the authority to issue general obligation bonds payable from *ad valorem* taxes levied on all taxable property within the boundaries of the District, without limitation as to rate or amount, to finance, among other things, the acquisition costs of public infrastructure purposes within the District, including incidental costs and the costs of issuing bonds. The District also levies a $0.30 *ad valorem* tax per $100 of Net Assessed Property Value for Secondary Tax Purposes (as hereinafter defined) the proceeds of which are used to pay a portion of the operation and maintenance expenses of the District and of the public infrastructure financed by the District.

THE BONDS

Authority and Election

The Bonds are authorized pursuant to the Enabling Act and an election held on May 25, 2005 (the "Election") and will be issued pursuant to a resolution adopted by the Board on May 17, 2016 (the "Bond Resolution"). The Bonds will be the seventh series of bonds issued pursuant to the authorization approved at the Election, and, after issuance of the Bonds, $152,290,000* principal amount of general obligation bonds of the District will remain

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* *Subject to change.*

authorized but unissued. See "SECURITY FOR AND SOURCES OF PAYMENT - *Ad Valorem* Property Taxation in the District" and "OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS - Additional General Obligation Bonded Indebtedness of the District." The Bonds are being issued in order to finance a portion of the cost for the District to acquire the Public Infrastructure Financed by the Bonds (as hereinafter defined) from Pulte. See "PUBLIC INFRASTRUCTURE FINANCED BY THE BONDS."

General Description

The Bonds will be dated the date of their initial delivery, and will mature and bear interest at the rates as set forth on the inside front cover page of this Official Statement.

Interest on the Bonds will be paid semiannually on January 15 and July 15 of each year, commencing January 15, 2017* (each such date being referred to herein as an "Interest Payment Date"). The Bonds will bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for or, if no interest has been paid, from the date of their initial delivery, calculated on the basis of a 360-day year of twelve 30-day months. See APPENDIX C - "BOOK-ENTRY-ONLY SYSTEM."

The principal of, redemption price for and interest on the Bonds will be payable when due to Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as the securities depository of the Bonds for a book-entry-only system. The Bonds will be available initially to ultimate purchasers under such system in amounts of $5,000 of principal amount or integral multiples in excess thereof due on specified maturity dates. No document of any nature whatsoever need be surrendered as a condition to payment of the principal and interest on the Bonds. See APPENDIX C - "BOOK-ENTRY-ONLY SYSTEM."

Bond Registrar and Paying Agent

Zions Bank, a division of ZB, National Association will serve as the initial bond registrar, transfer agent and paying agent (the "Bond Registrar and Paying Agent") for the Bonds. The District may change the Bond Registrar and Paying Agent without notice to or consent of the owners of the Bonds.

Redemption Provisions*

Optional Redemption. The Bonds maturing on or before July 15, 20__ are not subject to redemption prior to their stated maturity dates. The Bonds maturing on or after July 15, 20__ are subject to redemption prior to their stated maturity dates, at the option of the District, in whole or in part from maturities selected by the District on July 15, 20__, or on any date thereafter, by the payment of a redemption price equal to the principal amount of each Bond called for redemption, plus interest accrued to the date fixed for redemption but without a premium.

Mandatory Redemption. The Bonds maturing on July 15 of the following years will be redeemed from funds of the District prior to maturity on the following redemption dates and in the following amounts, upon payment of the redemption price which consists 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, but without premium:

Term Bonds due July 15, 20__

Year	Principal Amount
20__	$_____
20__	_____
20__	_____

* *Subject to change.*

Term Bonds due July 15, 20__

Year	Principal Amount
20__	$_____
20__	_____
20__	_____

Whenever Bonds are redeemed (other than pursuant to mandatory redemption) or are delivered to the Bond Registrar and Paying Agent for cancellation, the principal amount of the Bonds of such maturity so retired shall satisfy and be credited against the mandatory redemption requirements for such maturity on a pro rata basis, to the extent practicable provided, however, that each remaining mandatory payment shall be in an amount of at least $5,000 of principal.

Notice of Redemption. So long as the Bonds are held under the Book-Entry-Only System, notices of redemption will be sent to DTC in the manner required by DTC. See APPENDIX C – "BOOK-ENTRY-ONLY SYSTEM." If the Book-Entry-Only System is discontinued, notice of redemption of any Bond will be mailed to the registered owner of the Bond or Bonds being redeemed at the address shown on the bond register maintained by the Bond Registrar and Paying Agent not more than sixty (60) nor less than thirty (30) days prior to the date set for redemption. Notice of redemption may be sent to any securities depository by mail, facsimile transmission, wire transmission or any other means of transmission of the notice generally accepted by the respective securities depository. Neither the failure of any registered owner of Bonds to receive a notice of redemption nor any defect therein will affect the validity of the proceedings for redemption of Bonds as to which proper notice of redemption was given.

Notice of any redemption will also be provided as set forth in APPENDIX D – "FORM OF CONTINUING DISCLOSURE UNDERTAKING," but no defect in said further notice or record nor any failure to give all or a portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above.

If monies for the payment of the redemption price and accrued interest are not held in separate accounts by the District, the Maricopa County, Arizona (the "County") Treasurer or the Bond Registrar and Paying Agent prior to sending the notice of redemption, such redemption shall be conditional on such monies being so held on the date set for redemption and if not so held by such date, the redemption shall be cancelled and be of no force and effect.

Effect of Redemption. On the date designated for redemption, the Bonds or portions thereof to be redeemed will become and be due and payable at the redemption price for such Bonds or portions thereof, and, if monies for payment of the redemption price are held in a separate account by the Bond Registrar and Paying Agent, interest on such Bonds or portions thereof to be redeemed will cease to accrue, such Bonds or portions thereof will cease to be entitled to any benefit or security under the Bond Resolution, the owners of such Bonds or portions thereof will have no rights in respect thereof except to receive payment of the redemption price thereof and such Bonds or portions thereof will be deemed paid and no longer outstanding. DTC's practice is to determine by lot the amount of each Direct Participant's (as defined in APPENDIX C – "BOOK-ENTRY-ONLY SYSTEM") proportionate share that is to be redeemed.

Redemption of Less than All of a Bond. The District may redeem any amount which is included in a Bond that is subject to prior redemption in a denomination equal to or in excess of, but divisible by, $5,000. In the event of a partial redemption, the Bond will be redeemed in accordance with DTC's procedures. In the event of a partial redemption after the Book-Entry-Only System is discontinued, the registered owner will submit the Bond for partial redemption and the Bond Registrar and Paying Agent will make such partial payment and will cause to be issued a new Bond in a principal amount which reflects the redemption so made, to be authenticated and delivered to the registered owner thereof.

Registration and Transfer When Book-Entry-Only System Has Been Discontinued

If the Book-Entry-Only System is discontinued, the Bonds will be transferred only upon the bond register maintained by the Bond Registrar and Paying Agent and one or more new Bonds, registered in the name of the transferee, of the same principal amount, maturity and rate of interest as the surrendered Bond or Bonds will be authenticated, upon surrender to the Bond Registrar and Paying Agent of the Bond or Bonds to be transferred, together with an appropriate instrument of transfer executed by the transferor if the Bond Registrar and Paying Agent's requirements for transfer are met. The District has chosen the fifteenth day of the month preceding an Interest Payment Date as the "Record Date" for the Bonds. The Bond Registrar and Paying Agent may, but is not required to, transfer or exchange any Bonds during the period from the Record Date to and including the respective Interest Payment Date. The Bond Registrar and Paying Agent may, but is not required to, transfer or exchange any Bonds which have been selected for prior redemption.

The transferor will be responsible for all transfer fees, taxes, fees and any other costs relating to the transfer of ownership of individual Bonds.

SECURITY FOR AND SOURCES OF PAYMENT

General

The Board will annually levy and cause an *ad valorem* tax to be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable property in the District, sufficient, together with any amounts from the sources described in the Enabling Act and available pursuant to the Bond Resolution, to pay debt service with respect to the Bonds (whether at maturity or prior redemption) when due. Amounts derived from the levy of such tax when collected constitute funds to pay the debt service on the outstanding general obligation bonds of the District (including debt service with respect to the hereinafter described Series 2006 Bonds, Series 2007 Bonds, Series 2009 Bonds, Taxable Series 2009 Bonds, Series 2012 Bonds and Series 2013 Bonds and with respect to the Bonds) and will be kept separately from other funds of the District. With respect to *ad valorem* property taxes, the Series 2006 Bonds, the Series 2007 Bonds, the Series 2009 Bonds, the Taxable Series 2009 Bonds, the Series 2012 Bonds, the Series 2013 Bonds and the Bonds will be payable from such taxes on the same basis as issues of general obligation bonds of the District which may be issued in the future. The Board also levies an additional *ad valorem* tax of $0.30 per $100 of Net Assessed Property Value for Secondary Tax Purposes which amount is and will be used for operation and maintenance expenses of the District and of the public infrastructure financed by the District. See "OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS - Additional General Obligation Bonded Indebtedness of the District."

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) IS PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE OBLIGATIONS OF THE DISTRICT ONLY. NONE OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) WILL HAVE ANY OBLIGATION WITH RESPECT TO DEBT SERVICE FOR THE BONDS.

Ad Valorem Property Taxation in the District

Taxes levied for the maintenance and operation of counties, cities, towns, school districts, community college districts and the State are "primary taxes." Taxes levied for payment of bonds like the Bonds, voter-approved budget overrides and the maintenance and operation of special service districts such as sanitary, fire, road improvement and joint technological education districts are "secondary taxes." See "Primary Taxes" and "Secondary Taxes" below. The State's ad valorem property tax levy and collection procedures are described under this heading "SECURITY FOR AND SOURCES OF PAYMENT – Ad Valorem Property Taxation in the District."

Taxable Property

Real property and improvements and personal property are either valued by the Assessor of the County or the Arizona Department of Revenue. Property valued by the Assessor of the County is referred to as "locally assessed" property and generally encompasses residential, agricultural and traditional commercial and industrial property. Property valued by the Department of Revenue is referred to as "centrally valued" property and generally includes large mine and utility entities.

Locally assessed property is assigned two values: "full cash value" and "limited property value." Centrally valued property is assigned one value: full cash value.

Full Cash Value

Full cash value ("Full Cash Value") is statutorily defined to mean "that value determined as prescribed by statute" or if no statutory method is prescribed it is "synonymous with market value which means that estimate of value that is derived annually by using standard appraisal methods and techniques," which generally include the market approach, the cost approach and the income approach. In valuing locally assessed property, the Assessor of the County generally uses a cost approach to value commercial/industrial property and a market approach to value residential property. In valuing centrally valued property, the Department of Revenue begins generally with information provided by taxpayers and then applies procedures provided by State law. State law allows taxpayers to appeal such Full Cash Values by providing evidence of a lower value, which may be based upon another valuation approach.

Full Cash Value is used as the basis for levying taxes (both primary and secondary) on centrally valued property and personal property (except mobile homes). Full Cash Value is also used as the ceiling for determining Limited Property Value (as defined below) and as the basis for determining constitutional and statutory debt limits for certain political subdivisions in Arizona. Unlike Limited Property Value, increases in Full Cash Value are not limited.

Limited Property Value

Limited property value ("Limited Property Value") is a property value determined pursuant to the Arizona Constitution and the Arizona Revised Statutes. For locally assessed property in existence in the prior year that did not undergo modification through construction, destruction, split or change in use, including that for mobile homes, Limited Property Value is limited to the lesser of Full Cash Value or an amount 5% greater than Limited Property Value determined for the prior year.

Limited Property Value is used as the basis for levying taxes (both primary and secondary) on locally assessed property. Limited Property Value is also used as the basis for determining constitutional and statutory debt limits for certain political subdivisions in Arizona. Unlike Full Cash Value, increases in Limited Property Value are limited as described in the prior paragraph and under the heading "Primary Taxes" below.

Prior to tax year 2015, the value of locally assessed property used for primary tax purposes was Limited Property Value. The value of such property used for secondary tax purposes was Full Cash Value. Limited Property Value for property in existence in the prior year that did not undergo modification through construction, destruction, split or change in use increased by the greater of either 10% of the prior year's Limited Property Value or 25% of the difference between the prior year's Limited Property Value and the current year's Full Cash Value.

Property Classification and Assessment Ratios

All property, both real and personal, is assigned a classification (defined by property use) and related assessment ratio that is multiplied by the Limited Property Value or Full Cash Value of the property, as applicable, to obtain the "Limited Assessed Property Value" and the "Full Cash Assessed Value," respectively. Such values are then multiplied by the relevant taxing jurisdiction's primary and secondary tax rates to determine each property owner's property tax liability.

The assessment ratios for each property classification are set forth by tax year in the following table.

TABLE 1

Property Tax Assessment Ratios (Tax Year)

Property Classification *(a)*	2012	2013	2014	2015	2016
Mining, utilities, commercial and industrial	20%	19.5%	19%	18.5%	18%
Agriculture and vacant land	16	16	16	16	15
Owner occupied residential	10	10	10	10	10
Leased or rented residential	10	10	10	10	10
Railroad, private car company and airline flight property *(b)*	15	15	16	15	14

(a) Additional classes of property exist, but seldom amount to a significant portion of a municipal body's total valuation.

(b) This percentage is determined annually pursuant to Section 42-15005, Arizona Revised Statutes.

Source: *State and County Abstract of the Assessment Roll,* Arizona Department of Revenue (the "Property Tax Abstract"). Note that Net Assessed Property Value for Secondary Tax Purposes (as defined herein) is described as "Net Assessed Value" in the Property Tax Abstract.

Primary Taxes

Primary taxes are levied against "Net Limited Assessed Property Value" of locally assessed property and against "Net Full Cash Assessed Value" of centrally valued property. Net Limited Assessed Property Value and Net Full Cash Assessed Value are determined by excluding the value of property exempt from taxation from Limited Assessed Property Value and Full Cash Assessed Value, respectively.

The primary taxes levied by each county, city, town and community college district are constitutionally limited to a maximum increase of 2% over the maximum allowable prior year's levy limit plus any taxes on property not subject to taxation in the preceding year (e.g., new construction and property brought into the jurisdiction because of annexation). The 2% limitation does not apply to primary taxes levied on behalf of school districts.

Primary taxes on residential property only are constitutionally limited to 1% of the Limited Property Value of such property. This constitutional limitation on residential primary tax levies is implemented by reducing the school district's taxes. To offset the effects of reduced school district property taxes, the State compensates the school district by providing additional State aid (or in some counties, county taxpayers are required to make payments to offset the effects of reduced property taxes).

Secondary Taxes

Secondary taxes are levied against Net Limited Assessed Property Value of locally assessed property and against Net Full Cash Assessed Value of centrally valued property (together, "Net Assessed Property Value for Secondary Tax Purposes"). (Prior to tax year 2015, secondary taxes were levied against Net Full Cash Assessed Value of both locally assessed property and centrally valued property.) There is no constitutional or statutory limitation on annual levies for voter-approved bond indebtedness and overrides and certain special district assessments. **As Net Full Cash Assessed Value was used as the basis for levying taxes on locally assessed property and centrally valued property for payment of bonds like the Bonds in fiscal years prior to fiscal year 2015/16, this Official Statement compares Net Assessed Property Value for Secondary Tax Purposes with Net Full Cash Assessed Value in applicable years below.**

Tax Procedures

The State tax year has been defined as the calendar year, notwithstanding the fact that tax procedures begin prior to January 1 of the tax year and continue through May of the succeeding calendar year.

On or before the third Monday in August each year the Board of Supervisors of the County prepares the tax roll setting forth certain valuations by taxing district of all property in the County subject to taxation. The Assessor of the County is required to complete the assessment roll by December 15th of the year prior to the levy. This tax roll also shows the valuation and classification of each parcel of land located within the County for the tax year. The tax roll is then forwarded to the Treasurer of the County.

With the various budgetary procedures having been completed by the governmental entities, the appropriate tax rate for each jurisdiction is then applied to the parcel of property in order to determine the total tax owed by each property owner. Any subsequent decrease in the value of the tax roll as it existed on the date of the tax levy due to appeals or other reasons would reduce the amount of taxes received by each jurisdiction.

The property tax lien on real property attaches on January 1 of the year the tax is levied. Such lien is prior and superior to all other liens and encumbrances on the property subject to such tax except liens or encumbrances held by the State or liens for taxes accruing in any other years. Set forth below is a record of property taxes levied and collected in the District for a portion of the current fiscal year and all of the previous five fiscal years.

TABLE 2

Real and Secured Property Taxes Levied and Collected *(a)*

Fiscal Year	District Tax Rate	Adopted District Tax Levy	Adjusted District Tax Levy as of June 30th	Collected to June 30th of Initial Fiscal Year		Adjusted District Tax Levy as of 4/30/2016	Cumulative Collections to April 30, 2016	
				Amount	% of Adj. Levy		Amount	% of Adj. Levy
2015/16	$2.8181	$1,310,158	$1,309,746	*(b)*	*(b)*	$1,309,746	$1,214,612	92.74 % *(c)*
2014/15	2.9636	1,265,278	1,262,784	$1,247,832	98.82 %	1,262,784	1,262,770	100.00
2013/14	2.6000	1,068,918	1,068,918	1,050,226	98.25	1,067,734	1,058,370	99.12
2012/13	3.2000	1,298,034	1,295,719	1,281,926	98.94	1,293,299	1,293,281	100.00
2011/12	3.3000	1,315,335	1,315,117	1,307,247	99.40	1,313,844	1,313,826	100.00

(a) Taxes are collected by the Treasurer of the County. Taxes in support of debt service are levied by the Board of Supervisors of the County as required by Arizona Revised Statutes. Delinquent taxes are subject to an interest and penalty charge of 16% per annum, which is prorated at a monthly rate of 1.33%. Interest and penalty collections for delinquent taxes are not included in the collection figures above, but are deposited in the County's General Fund. Interest and penalties with respect to the first half tax collections (delinquent November 1) are waived if the full year's taxes are paid by December 31.

(b) 2015/16 taxes in course of collection:
First installment due 10-01-15, delinquent 11-01-15;
Second installment due 03-01-16, delinquent 05-01-16.

(c) Collections through April 30, 2016.

Source: Office of the Treasurer of the County.

Delinquent Tax Procedures

The property taxes due the District are billed, along with State and other taxes, each September and are due and payable in two installments on October 1 and March 1 and become delinquent on November 1 and May 1, respectively. Delinquent taxes are subject to an interest penalty of 16% per annum prorated monthly as of the first day of the month. (Delinquent interest is waived if a taxpayer, delinquent as to the November 1 payment, pays the entire year's tax bill by December 31.) After the close of the tax collection period, the Treasurer of the County prepares a delinquent property tax list and the property so listed is subject to a tax lien sale in February of the succeeding year. In the event that there is no purchaser for the tax lien at the sale, the tax lien is assigned to the State, and the property is reoffered for sale from time to time until such time as it is sold, subject to redemption, for an amount sufficient to cover all delinquent taxes.

After three years from the sale of the tax lien, the tax lien certificate holder may bring an action in a court of competent jurisdiction to foreclose the right of redemption and, if the delinquent taxes plus accrued interest are not paid by the owner of record or any entity having a right to redeem, a judgment is entered ordering the Treasurer of the County to deliver a treasurer's deed to the certificate holder as prescribed by law.

In the event of bankruptcy of a taxpayer pursuant to the United States Bankruptcy Code (the "Bankruptcy Code"), the law is currently unsettled as to whether a lien can attach against the taxpayer's property for property taxes levied during the pendency of bankruptcy. Such taxes might constitute an unsecured and possibly non-interest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are oversecured, and then possibly only on the prorated basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact bankruptcy might have on the ability to collect ad valorem taxes on property of a taxpayer within the District. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on delinquent property.

When a debtor files or is forced into bankruptcy, any act to obtain possession of the debtor's estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover a claim against the debtor that arose before the commencement of the bankruptcy is stayed pursuant to the Bankruptcy Code. While the automatic stay of a bankruptcy court may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor would be subject to the stay of bankruptcy court. It is reasonable to conclude that "tax sale investors" may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of the payment of post-bankruptcy petition tax collections becomes uncertain.

It cannot be determined what impact any deterioration of the financial conditions of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of or the secondary market for the Bonds. None of the District, the Underwriter or their respective agents or consultants has undertaken any independent investigation of the operations and financial condition of any taxpayer, nor have they assumed responsibility for the same.

In the event the County is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the District's tax rate charged to non-bankrupt taxpayers during such subsequent tax years. See "RISK FACTORS – Bankruptcy and Foreclosure Delays."

TABLE 3A

Net Assessed Property Value for Secondary Tax Purposes by Property Classification *(a)*
Festival Ranch Community Facilities District

Legal Class	Description	2016/17 Estimated Net Assessed Property Value for Secondary Tax Purposes *(b)*	2015/16 Net Assessed Property Value for Secondary Tax Purposes	2015/16 Percent of Total
1	Commercial, industrial, utilities & mines	$ 1,835,177	$ 1,811,173	3.9 %
2	Agricultural and vacant	2,438,811	2,645,759	5.7
3	Residential (owner occupied)	29,420,945	25,584,485	55.0
4	Residential (rental)	17,987,043	16,449,409	35.4
	Totals*	$ 51,681,976	$ 46,490,826	100.0 %

(a) *Determined by Net Assessed Property Value for Secondary Tax Purposes. See "PROPERTY TAXES – Limited Property Value" and – "Secondary Taxes" herein for a discussion of the use of Net Assessed Property Value for Secondary Tax Purposes for fiscal years 2015/16 and thereafter.*

(b) *Estimated by the Assessor of the County.*

* Totals may not add up due to rounding.

Source: *The Property Tax Abstract*, Arizona Department of Revenue and *Property Tax Rates and Assessed Values*, Arizona Tax Research Association. Note that Net Assessed Property Value for Secondary Tax Purposes is described as "Net Assessed Value" in the Property Tax Abstract.

See also in this respect the discussion under the subheading "LAND DEVELOPMENT."

TABLE 3B

Net Full Cash Assessed Value by Property Classification *(a)*
Festival Ranch Community Facilities District

Legal Class	Description	2014/15	2013/14	2012/13	2011/12
1	Commercial, Industrial, Utilities & Mines	$ 1,595,998	$ 1,788,803	$ 1,905,169	$ 1,395,256
2	Agricultural and Vacant	3,697,597	5,270,949	5,915,290	6,203,260
3	Residential (owner occupied)	23,108,620	21,530,960	22,282,218	31,284,380
4	Residential (rental)	14,291,756	12,521,520	10,460,900	975,462
	Totals*	$42,693,971	$41,112,232	$40,563,577	$39,858,358

(a) *Determined by Net Full Cash Assessed Value. See "PROPERTY TAXES – Limited Property Value" and – "Secondary Taxes" herein for a discussion of the use of Net Full Cash Assessed Value for fiscal years prior to 2015/16.*

* Totals may not add up due to rounding.

Source: *The Property Tax Abstract.* Arizona Department of Revenue and *Property Tax Rates and Assessed Values*, Arizona Tax Research Association.

TABLE 4A

Net Assessed Property Value for Secondary Tax Purposes of Major Taxpayers
Festival Ranch Community Facilities District

Major Taxpayer *(a)*	2015/16 Net Assessed Property Value for Secondary Tax Purposes	As % of Net Assessed Property Value for Secondary Tax Purposes
Pulte Home Corporation	$ 3,623,869	7.79 %
Accipter Communications Inc	321,861	0.69
Transwestern Pipeline Company LLC	261,875	0.56
Frcs LLC	165,287	0.36
Sun City Festival Community Association Inc	118,822	0.26
	$ 4,491,714	9.66 %

(a) Some of such taxpayers or their parent corporations are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith file reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information (collectively, the "Filings") may be inspected, copied and obtained at prescribed rates at the Commission's public reference facilities at 100 F Street, N.E., Washington, D.C. 20549-2736. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005. The Filings may also be obtained through the Internet on the Commission's EDGAR data base at http://www.sec.gov. No representative of the District, the Underwriter, Bond Counsel or Counsel to the Underwriter (as defined herein) has examined the information set forth in the Filings for accuracy or completeness, nor does any such representative assume responsibility for the same.

Source: The Assessor of the County.

See "RISK FACTORS - General Risks of Real Estate Investment and Development; Certain Factors Which May Adversely Affect Development; Consequences."

TABLE 4B

Net Full Cash Assessed Value of Major Taxpayers
Festival Ranch Community Facilities District

Major Taxpayer *(a)*	2014/15 Net Limited Assessed Valuation	As % of 2014/15 Net Limited Assessed Valuation
Pulte Home Corporation	$ 3,964,780	8.53 %
Accipter Communications Inc	366,955	0.79
Transwestern Pipeline Company LLC	323,173	0.70
Sun City Festival Community Association Inc	213,347	0.46
Frcs LLC	161,671	0.35
	$ 5,029,926	10.82 %

(a) Some of such taxpayers or their parent corporations are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith file the Filings with the Commission. The Filings may be inspected, copied and obtained at prescribed rates at the Commission's public reference facilities at 100 F Street, N.E., Washington, D.C. 20549-2736. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005. The Filings may also be obtained through the Internet on the Commission's EDGAR data base at http://www.sec.gov. No representative of the District, the Underwriter, Bond Counsel or Counsel to the Underwriter has examined the information set forth in the Filings for accuracy or completeness, nor does any such representative assume responsibility for the same.

Source: The Assessor of the County.

TABLE 5A

Comparative Net Assessed Property Values for Secondary Tax Purposes *(a)*
Festival Ranch Community Facilities District

Fiscal Year	Festival Ranch Community Facilities District	City of Buckeye	Maricopa County	State of Arizona
2016/17 *(b)*	$ 51,681,976	$ 339,702,713	$36,135,494,474	*N/A*
2015/16	46,490,826	320,169,039	35,079,646,593	55,352,051,074

(a) Determined by Net Assessed Property Value for Secondary Tax Purposes. See "PROPERTY TAXES – Limited Property Value" and – "Secondary Taxes" herein for a discussion of the use of Net Assessed Property Value for Secondary Tax Purposes for fiscal years 2015/16 and thereafter.

(b) Estimated by the Assessor of the County.

Source: *Property Tax Rates Assessed Values*, Arizona Tax Research Association and *the Property Tax Abstract*, Arizona Department of Revenue. Note that Net Assessed Property Value for Secondary Tax Purposes is described as "Net Assessed Value" in the Property Tax Abstract.

TABLE 5B

Comparative Net Full Cash Assessed Values *(a)*
Festival Ranch Community Facilities District

Fiscal Year	Festival Ranch Community Facilities District	City of Buckeye	Maricopa County	State of Arizona
2014/15	$ 42,693,971	$ 324,277,466	$32,229,006,810	$52,594,377,492
2013/14	41,112,232	287,873,371	34,400,455,716	56,271,814,583
2012/13	40,563,577	300,289,266	34,400,455,712	56,283,023,907
2011/12	39,858,358	322,876,453	38,760,296,714	61,700,292,915

(a) *Determined by Net Full Cash Assessed Value. See "PROPERTY TAXES – Limited Property Value" and – "Secondary Taxes" herein for a discussion of the use of Net Full Cash Assessed Value for fiscal years prior to 2015/16.*

Source: *Property Tax Rates Assessed Values*, Arizona Tax Research Association and *the Property Tax Abstract,* Arizona Department of Revenue.

TABLE 6

Estimated Net Full Cash Value History
Festival Ranch Community Facilities District

Fiscal Year	Estimated Net Full Cash Value *(a)*
2016/17 *(b)*	$ 591,153,469
2015/16	493,239,270
2014/15	400,559,910
2013/14	378,193,132
2012/13	368,948,293
2011/12	362,826,340

(a) *Estimated Net Full Cash Value is the total market value of the property within the District less the estimated Full Cash Value of property exempt from taxation within the District.*

(b) *Estimated by the Assessor of the County.*

Source: *The Property Tax Abstract,* Arizona Department of Revenue.

General Obligation Bonded Indebtedness to be Outstanding. The following table lists the general obligation bonded indebtedness of the District that will be outstanding after issuance of the Bonds:

TABLE 7

Issue Series	Original Amount	Purpose	Final Maturity Date (July 15)	Balance Outstanding and to be Outstanding
Series 2006 *(a)*	$ 800,000	Trunk sewer lines	2031	$ 605,000
Series 2007 *(b)*	1,535,000	Trunk sewer lines	2032	1,240,000
Series 2009A *(c)*	5,435,000	Sewer lines and roadways	2031	4,030,000
Series 2009B *(d)*	2,165,000	Sewer lines and roadways	2034	2,165,000
Series 2012 *(e)*	5,400,000	Sewer lines and roadways	2031	3,400,000
Series 2013 *(f)*	1,800,000	Water main lines, wells, facilities	2033	1,790,000
Total General Obligation Bonded Debt Outstanding				$ 13,230,000
Plus: The Bonds				5,575,000*
Total General Obligation Bonded Debt Outstanding and to be Outstanding				$ 18,805,000*

* *Subject to change.*

(a) *Herein referred to as the Series 2006 Bonds.*

(b) *Herein referred to as the Series 2007 Bonds.*

(c) *Herein referred to as the Series 2009 Bonds.*

(d) *Herein referred to as the Taxable Series 2009 Bonds. The Taxable Series 2009 Bonds were issued as taxable bonds under the Build America Bond program for which subsidy payments equal to 35% of the interest payments on such bonds are expected to be made by the federal government. However, due to mandatory federal budget reductions from the sequestration approved by Congress in 2012, the District's federal subsidy payment was reduced by 8.7% in federal fiscal year 2012/13, 7.2% in federal fiscal year 2013/14, 7.3% in federal fiscal year 2014/15 and 6.8% in federal fiscal year 2015/16. The District anticipates continued similar reductions in subsidy payments until sequestration is ended by Congress. The District is required to pay the full interest payments each year despite such reductions in federal subsidy payments.*

(e) *Herein referred to as the Series 2012 Bonds.*

(f) *Herein referred to as the Series 2013 Bonds.*

Annual Debt Service Requirements of General Obligation Bonded Indebtedness To Be Outstanding. The District will have the following annual debt service requirements after the issuance of the Bonds:

TABLE 8

Fiscal Year	Net Limited Assessed Valuation *(a)*	Total Debt Service *(b)*	Estimated Tax Rate *(c)*	Principal*	Estimated Interest *(d)*	Total Debt Service	Estimated Tax Rate	Total Debt Service	Estimated Total Tax Rate *(c)*
2014/15	$ 42,693,971	$1,179,223	$2.6636					$1,179,223	$2.6636
2015/16	46,490,826	1,181,148	2.5181					1,181,148	2.5181
2016/17	51,681,976	1,184,850	2.4132	70,000	$221,510 *(e)*	291,510	0.5922	1,476,360	2.9995
2017/18	51,681,976	1,183,072	2.4096	80,000	211,250	291,250	0.5917	1,474,322	2.9953
2018/19	51,681,976	1,180,066	2.4035	85,000	208,850	293,850	0.5970	1,473,916	2.9945
2019/20	51,681,976	1,180,201	2.4038	90,000	206,300	296,300	0.6020	1,476,501	2.9997
2020/21	51,681,976	1,178,184	2.3997	95,000	201,800	296,800	0.6030	1,474,984	2.9967
2021/22	51,681,976	1,179,191	2.4017	100,000	197,050	297,050	0.6035	1,476,241	2.9992
2022/23	51,681,976	1,178,464	2.4002	105,000	192,050	297,050	0.6035	1,475,514	2.9977
2023/24	51,681,976	1,175,751	2.3947	110,000	186,800	296,800	0.6030	1,472,551	2.9917
2024/25	51,681,976	1,175,964	2.3951	115,000	181,300	296,300	0.6020	1,472,264	2.9911
2025/26	51,681,976	1,176,774	2.3968	120,000	175,550	295,550	0.6005	1,472,324	2.9913
2026/27	51,681,976	1,175,281	2.3938	130,000	171,350	301,350	0.6122	1,476,631	3.0000
2027/28	51,681,976	1,176,231	2.3957	130,000	166,800	296,800	0.6030	1,473,031	2.9927
2028/29	51,681,976	1,174,541	2.3922	135,000	162,250	297,250	0.6039	1,471,791	2.9902
2029/30	51,681,976	1,175,124	2.3934	140,000	157,525	297,525	0.6045	1,472,649	2.9919
2030/31	51,681,976	1,172,751	2.3886	150,000	152,625	302,625	0.6148	1,475,376	2.9975
2031/32	51,681,976	1,171,999	2.3871	155,000	147,000	302,000	0.6136	1,473,999	2.9947
2032/33	51,681,976	1,116,631	2.2743	215,000	141,188	356,188	0.7237	1,472,818	2.9923
2033/34	51,681,976	580,880	1.1831	760,000	133,125	893,125	1.8145	1,474,005	2.9947
2034/35	51,681,976	-	0.0000	1,370,000	104,625	1,474,625	2.9959	1,474,625	2.9959
2035/36	51,681,976	-	0.0000	1,420,000	53,250	1,473,250	2.9931	1,473,250	2.9931
				$5,575,000	$3,372,198	$8,947,198			

* *Subject to change.*

(a) *Fiscal years 2014/15 and 2015/16 are actual. 2016/17 estimate provided by the County Assessor.*

(b) *Interest is net of reduction for the federal interest subsidy payments related to the Taxable Series 2009 Bonds. See footnote (d) to TABLE 7.*

(c) *Fiscal years 2014/15 and 2015/16 represents actual secondary tax rates from debt service only. Subsequent years include 5% delinquency factor.*

(d) *Interest is estimated at 4.00%.*

(e) *The first interest payment on the Bonds will be due on January 15, 2017*. Thereafter, interest payments will be made semiannually on July 15 and January 15 until maturity or prior redemption.*

OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS

Overlapping General Obligation Bonded Indebtedness

Overlapping general obligation bonded indebtedness is shown below including a breakdown of each overlapping jurisdiction's applicable general obligation bonded indebtedness, Net Assessed Property Value for Secondary Tax Purposes and combined tax rate per $100 Net Assessed Property Value for Secondary Tax Purposes. Outstanding bonded indebtedness is comprised of general obligation bonds outstanding and general obligation bonds scheduled for sale. The applicable percentage of each jurisdiction's Net Assessed Property Value for Secondary Tax Purposes which lies within the District's boundaries was derived from information obtained from the County Assessor. **See "RISK FACTORS - Direct and Overlapping Indebtedness."**

TABLE 9

Direct and Overlapping Jurisdiction	2015/16 Net Assessed Property Value for Secondary Tax Purposes	General Obligation Bonded Debt Outstanding *(a)*	Proportion Applicable to the District Based on 2015/16 Net Assessed Property Value for Secondary Tax Purposes: Approximate Percent	Net Debt Amount	2015/16 Combined Tax Rate Per $100 Net Assessed Property Value for Secondary Tax Purposes *(b)*
State of Arizona *(c)*	$ 55,352,051,074	None	0.08%	None	None
Maricopa County *(d)*	35,079,646,593	None	0.13	None	$1.8663
Maricopa County Community College District	35,079,646,593	$ 593,820,000	0.13	$ 771,966	1.4940
Maricopa County Special Health Care District	35,079,646,593	106,000,000	0.13	137,800	0.3021
Western Maricopa Education Center District No. 402	12,803,898,697	72,995,000	0.36	None	0.0698
Wickenburg Unified School District No. 9	148,063,651	7,169,000	31.40	2,251,066	5.0810
City of Buckeye	320,169,039	None	14.52	None	1.8000
The District *(e)*	46,490,826	18,805,000*	100.00	18,805,000*	2.8181
Total Net Direct and Overlapping General Obligation Bonded Debt				$ 21,965,832*	

* *Subject to change.*

(a) *Includes total stated principal amount of general obligation bonds outstanding. Does not include outstanding principal amount of certificates of participation, revenue obligations or loan obligations outstanding for the jurisdictions listed above. Does not include outstanding principal amounts of various County improvement districts, as the obligations of these districts are presently being paid from special assessments against property within the various improvement districts.*

Does not include presently authorized but unissued general obligation bonds of such jurisdictions which may be issued in the future as indicated in the following table. Additional bonds may also be authorized by voters within overlapping jurisdictions pursuant to future elections.

Overlapping Jurisdiction	*General Obligation Bonds Authorized but Unissued*
Maricopa County Special Health Care District	*$829,000,000*
***The District** (e)*	*152,290,000**

Also does not include the obligation of the Central Arizona Water Conservation District ("CAWCD") to the United States Department of the Interior (the "Department of the Interior"), for repayment of certain capital

costs for construction of the Central Arizona Project ("CAP"), a major reclamation project that has been substantially completed by the Department of the Interior. The obligation is evidenced by a master contract between CAWCD and the Department of the Interior. In April 2003, the United States and CAWCD agreed to settle litigation over the amount of the construction cost repayment obligation, the amount of the respective obligations for payment of the operation, maintenance and replacement costs and the application of certain revenues and credits against such obligations and costs. Under the agreement, CAWCD's obligation for substantially all of the CAP features that have been constructed so far will be set at $1.646 billion, which amount assumes (but does not mandate) that the United States will acquire a total of 667,724 acre feet of CAP water for federal purposes. The United States will complete unfinished CAP construction work related to the water supply system and regulatory storage stages of CAP at no additional cost to CAWCD. Of the $1.646 billion repayment obligation, 73% will be interest bearing and the remaining 27% will be non-interest bearing. These percentages will be fixed for the entire 50-year repayment period, which commenced October 1, 1993. CAWCD is a multi-county water conservation district having boundaries coterminous with the exterior boundaries of Arizona's Maricopa, Pima and Pinal Counties. It was formed for the express purpose of paying administrative costs and expenses of the CAP and to assist in the repayment to the United States of the CAP capital costs. Repayment will be made from a combination of power revenues, subcontract revenues (i.e., agreements with municipal, industrial and agricultural water users for delivery of CAP water) and a tax levy against all taxable property within CAWCD's boundaries. At the date of this Official Statement, the tax levy is limited to 14 cents per $100 of Net Full Cash Assessed Value, of which 14 cents is being levied. (See Sections 48-3715 and 48-3715.02, Arizona Revised Statutes.) There can be no assurance that such levy limit will not be increased or removed at any time during the life of the contract.

(b) The combined tax rate includes the tax rate for debt service payments, which is based on the secondary assessed valuation of the entity, and the tax rate for all other purposes such as maintenance and operation and capital outlay, which generally is based on the primary assessed valuation of jurisdictions other than special districts and on the secondary assessed valuation of special districts such as the District.

(c) Includes the "State Equalization Assistance Property Tax" which is levied by the County and has been set at $0.5054 per $100 Net Assessed Property Value for Secondary Tax Purposes for fiscal year 2015/16. Such amount is adjusted annually pursuant to Section 41-1276, Arizona Revised Statutes.

(d) The County's tax rate includes the $0.1400 tax rate of CAWCD, the $0.1592 tax rate of the Maricopa County Flood Control District, the $0.0556 tax rate of the County Free Library, the $0.3021 tax rate of the Maricopa Special Health Care District and the $0.0116 tax rate of the County Fire District contribution. It should be noted that the County Flood Control District does not levy taxes on personal property.

(e) Includes the Bonds. Does not include special assessment revenue bonds outstanding in the aggregate principal amount of $5,461,000. See "Other Debt of the District" herein.

Source: The various entities, *Property Tax Rates and Assessed Values,* Arizona Tax Research Association, *the Property Tax Abstract*, Arizona Department of Revenue and the Assessor of the County. Note that Net Assessed Property Value for Secondary Tax Purposes is described as "Net Assessed Value" in the Property Tax Abstract.

Additional General Obligation Bonded Indebtedness of the District

In addition to the Series 2006 Bonds, the Series 2007 Bonds, the Series 2009 Bonds, the Taxable Series 2009 Bonds, the Series 2012 Bonds, the Series 2013 Bonds and the Bonds, the District retains the right to issue, in accordance with the procedures set forth in the Enabling Act, additional series of bonds payable from *ad valorem* taxes. See "SECURITY FOR AND SOURCES OF PAYMENT - *Ad Valorem* Property Taxation in the District -- General Obligation Bonded Indebtedness to be Outstanding." **See also "RISK FACTORS - Direct and Overlapping Indebtedness."**

The Enabling Act provides that the total aggregate outstanding amount of bonds and any other indebtedness for which the full faith and credit of the District are pledged will not exceed 60 percent of the aggregate of the estimated market value of the real property and improvements in the District after the public infrastructure of the District is

completed plus the value of the public infrastructure owned or to be acquired by the District with the proceeds of the bonds. (Based solely on the Full Cash Value of the District as reported by the County Assessor, the Board has determined that issuance of the Bonds will meet the test set forth above. See "SECURITY FOR AND SOURCES OF PAYMENT - *Ad Valorem* Property Taxation in the District -- Full Cash Value.")

Pursuant to the Election, the District was authorized to incur general obligation bonded indebtedness in an amount not to exceed $175,000,000 and will have $152,290,000* of such amount remaining after issuance of the Bonds in order to finance, among other things, the costs of public infrastructure purposes within the District, including incidental costs. Additional indebtedness could be authorized for the District in the future pursuant to other elections.

Additional Overlapping General Obligation Bonded Indebtedness

The District has no control over the amount of additional indebtedness payable from taxes on all or a portion of the property within the District that may be issued in the future by other political subdivisions, including but not limited to the City, the County, Wickenburg Unified School District No. 9 of Maricopa County, Arizona, Western Maricopa Education Center District No. 402 of Maricopa County, Arizona, Maricopa County Community College District or other entities having jurisdiction over all or a portion of the land within the District. Additional indebtedness could be authorized for such overlapping jurisdictions in the future. **See "RISK FACTORS - Direct and Overlapping Indebtedness."**

Other Debt of the District

To finance costs to acquire certain public infrastructure for development of land in the District, the District has issued Special Assessment Revenue Bonds with the series designations, in principal amounts on the dates, with acreages of land within the District assessed to pay debt service, with the district numbers and with amounts assessed per lot as described in the table below. All of the infrastructure financed with such bonds has been or will be dedicated to the City.

TABLE 10

Series Designation	Original Principal Amount	Date Issued	Acres Assessed	Assessment District No.	Assessment Per Lot	Total Outstanding
2005	$1,448,000	11/17/2005	152.2	1	$2,000	$ 1,120,000
2007	1,868,000	04/04/2007	275.8	2&3	2,000	1,502,000
2007	1,784,000	10/17/2007	245.2	4&5	2,000	1,465,000
2009	356,000	11/19/2009	43.5	6	2,000	327,000
2011	404,000	04/07/2011	79.3	7	2,000	378,000
2013	186,000	07/31/2013	25.6	8	2,000	181,150
2015	288,000	07/21/2015	36.1	9	2,000	288,000
2016	200,000	03/24/2016	37.7	10	2,000	200,000

Other series of assessment bonds payable solely from and secured by special, separate funds established and maintained by the District from installments due with respect to certain other special assessments may be issued by the District in the future.

The term "special assessments" as used hereinabove refers to the assessments which would be levied and assessed by the District in the related assessment area which would encompass portions of the District, each of which would constitute a first lien on the parcel so levied and assessed, subordinate and subject only to general property taxes (including that for the Bonds) and prior special assessments. The per lot assessment is approximately $2,000 payable with interest in installments. If a lot owner fails to pay an assessment installment when due, the lot can be offered for sale by the District for the amount of the assessment together with interest, costs and penalties. Neither the District nor the City is obligated to bid at the sale. The lien for the property taxes levied to pay the Bonds is senior to the lien of such assessments; however, the lien for such assessments is not extinguished by foreclosure with

regard to taxes. There can be no assurance that additional amounts of such bonds payable from special assessments will not be issued in the future, increasing the amount of liens on property in the District for such purposes. **SEE "RISK FACTORS - Direct and Overlapping Indebtedness."**

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM" or the "Bond Insurer") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as APPENDIX E – "SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2016 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $475.0 million, $41.6 million and $433.4 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at buildamerica.com/creditinsights/. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon.. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at buildamerica.com/obligor/. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

RISK FACTORS RELATED TO BOND INSURANCE

The following are risk factors relating to bond insurance generally. In the event of default of the payment of principal or interest with respect to any of the Bonds when all or some become due, any owner of the Bonds on which such principal or interest was not paid will have a claim under the Policy for such payments. In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds will remain payable solely from ad valorem property taxes as described under "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS." In the event the Bond Insurer becomes obligated to make payments with respect to the Bonds, no assurance will be given that such event will not adversely affect the market price of the Bonds and the marketability (liquidity) of the Bonds.

The long-term ratings on the Bonds will be dependent in part on the financial strength of the Bond Insurer and its claims paying ability. The Bond Insurer's financial strength and claims paying ability will be predicated upon a number of factors which could change over time. No assurance will be given that the long-term rating of the Bond Insurer and of the rating on the Bonds insured by the Bond Insurer will not be subject to downgrade, and such event could adversely affect the market price of the Bonds and the marketability (liquidity) of the Bonds.

The obligations of the Bond Insurer will be general obligations of the Bond Insurer, and in an event of default by the Bond Insurer, the remedies available may be limited by applicable bankruptcy law, state receivership or other similar laws related to insolvency of insurance companies.

None of the District, the Underwriter (as defined herein), or their respective attorneys, agents or consultants have made independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer will be given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal of and interest on the Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment.

LAND DEVELOPMENT

The information contained in this section relates to and has been obtained from Pulte, unless otherwise sourced or noted, and neither the District nor the Underwriter assumes any responsibility for the accuracy or completeness thereof. The information included under the heading "RISK FACTORS" as it relates to the information contained under this heading is hereby incorporated under this heading by this reference.

In General

The District consists of approximately 4,015 acres being planned and developed as a mixed-use, master-planned community. The District is located approximately 35 miles northwest of downtown Phoenix, Arizona, in the northern portion of the City, approximately 17 miles north of Interstate 10 on the Sun Valley Parkway. The District is approximately nine miles west of current development within the City of Surprise, Arizona, along the Sun Valley Parkway. See the map on page (iii) and the aerial photograph on page (iv). Pulte's current production operations within the District consist of 3,308 of the 4,015 acres within the District marketed as "Festival Ranch" (the "Project" or "Festival Ranch"), composed of an "age restricted" residential community marketed as "Sun City Festival" and a "conventional" community marketed as "Festival Foothills." Certain amenities such as a golf course and recreation centers have been constructed by Pulte and more are planned. Limited commercial development has been undertaken by other owners within the District.

Pulte acquired its portion of the property in the District in October, 2004, having commenced entitlements and pre-development prior to closing. Construction of infrastructure improvements and certain amenities commenced in August, 2005, and the first residential sales closed in 2006. Since that time, Pulte has spent approximately $212,000,000 to provide water, sewer, streets, curbs, gutters, a golf course, a recreation center, an arts and crafts center, baseball fields and other facilities and has continued to ready additional property Pulte owns in the District for residential and commercial development. Pulte also has continued to market and sell its varied residential products. Overall, Pulte has commenced and/or completed improvements to approximately 1,600 acres of the property it owns in the District. See "Residential Development" and "THE PUBLIC INFRASTRUCTURE."

While other entities own approximately 707 acres of land in the District outside of the Project, it is not anticipated that such other owners will be developing their property in the District in the foreseeable future. Pulte is the only homebuilder that owns land within the District.

Land Development Agreements/Community Master Plan

The real property in the District is subject to a Development Agreement with the City, dated October 4, 2000 (the "Land Development Agreement"), which addresses the rights of, among others, owners to develop property in the District as provided in and subject to the conditions of such Agreement. The Land Development Agreement has been modified by way of several recorded amendments and references herein to the Land Development Agreement mean such agreement as amended. The Land Development Agreement addresses various issues often times made the subject of development agreements in Arizona, such as, among other things, City services, reimbursements to Pulte for certain public infrastructure, the City's processing of plans and permits, and public bidding. The Land Development Agreement and certain subsequent agreements also address the legal right to obtain, and the legal obligation to provide, potable water and the required capital and operations contributions to the City for water,

sewer, police and fire services within the District. Police, fire and sanitation services are provided to the District by the City. Pulte is obligated to assist in the funding of certain capital and operational costs associated with the provision of water, sewer, police and fire protection for the real property in the District that is subject to the Land Development Agreement. The City has determined that Pulte has achieved the level of progress and completion required by the Land Development Agreement for continued development under and in accordance with the same, and has determined that the Land Development Agreement will continue in full force and effect for its entire term. The real property in the District is also subject to a Development, Financing Participation and Intergovernmental Agreement No. 1 by and among the City, the District and, among others, Pulte, relating to the formation and operation of the District.

The real property in the District is subject to a community master plan originally approved by the City on October 4, 2000 (the "Community Master Plan"). Several amendments to the Community Master Plan have been adopted by the City. The latest amendment, which added certain areas owned by Pulte to the Community Master Plan and the Land Development Agreement, was executed on October 21, 2008. References to the Community Master Plan mean such Plan as amended. The Community Master Plan covers substantially more property than the property in the District. An Area Plan, which includes the property within the District, was adopted by the City on June 17, 1997.

Although the number of acres devoted to each particular land use may ultimately vary from those presented, the development of the District in accordance with the Community Master Plan by Pulte and other owners is currently expected to include the following land uses:

TABLE 10

Total Project	Approximate District Acres
Single Family Residential	3,190
2 Golf Courses and Recreation Centers	475
Commercial	350
Total	4,015

The Community Master Plan allows 14,226 residential units within the District, the majority of which are planned as single family residences. The Community Master Plan also allows development of approximately 7.3 million square feet of commercial space within the District. Development of the property within the District and construction of homes and other infrastructure is subject to obtaining various development and construction approvals and permits. As a condition to the sale of homes, homebuilders will be required to obtain building and any additional permits required for the construction and completion of all such homes and other infrastructure. See "RISK FACTORS."

Additional Entitlements

Development in areas with significant natural drainage such as Festival Ranch often requires the United States Army Corps of Engineers ("USACE") to determine if any such drainage areas are within the USACE's jurisdiction. If any drainage areas are in USACE's jurisdiction, a "Section 404" permit would be required to allow development or disturbance of such drainage areas. In December 2011, USACE approved the Jurisdictional Determination (the "Determination") as submitted by Pulte indicating that only Wagner Wash in Festival Ranch is within USACE's jurisdiction. Since no additional development in Wagner Wash is anticipated within the defined Determination, no "Section 404" permit is required. The Determination is valid for five years and can be extended upon request and application for additional years. In fact, Pulte has obtained an extension of the "Determination for an additional four (4) years (until 2020)". There can be no assurance that any future extension will be granted as and when requested.

Even with the approved Community Master Plan, development still requires certain approvals from the City for preliminary and final plats prior to construction of improvements. To date, Pulte has recorded 16 final plats (not including replatting of existing final plats) that include 3,555 lots within the District. Pulte also has obtained approval of eight preliminary plats for 805 residential lots on property within the District. Combining preliminary

plats and final plats there are 4,360 entitled lots. Of those lots included in final plats, 3,034 have been improved with utilities and paved streets, and of those, 2,648 have had homes constructed and closed on them as of March 30, 2016, while the balance of those lots (approximately 386 lots) are ready and available for immediate residential construction. Pulte is in the process of obtaining final plats for the lots which are subject to preliminary plats. See "RISK FACTORS."

Residential Development

Pulte is responsible for the construction of all offsite infrastructure and subdivision improvements necessary to deliver fully finished lots. The "active adult" residences currently constructed by Pulte range in size from 1,573 to 2,509 square feet; and such homes are priced from $200,990 to $413,696 prior to purchaser – selected upgrades. Pulte ceased building and sales in the conventional home area marketed as Festival Foothills in mid-2011 due to market conditions and recommenced sales and building in that area in early 2013. Based on consumer feedback, Pulte has introduced new models to meet current market expectations as to style and features. The new models and updates were made available to consumers in early 2014. The following table shows the number of "active adult" and "conventional" home sales Pulte has closed for the periods indicated:

TABLE 11

Year	Active Adult Home Closings	Conventional Home Closings	Total Residential Closings Per Year
2006	143	0	143
2007	578	83	661
2008	318	184	502
2009	204	67	271
2010	120	46	166
2011	105	19	124
2012	129	0	129
2013	169	21	190
2014	164	25	189
2015	149	65	214
2016 *(a)(b)*	37	21	58
Cumulative Totals	2,117	531	2,648

(a) *Through March 30, 2016.*

(b) *As of March 30, 2016, there were 131 homes under construction in the District.*

Pulte operates one model home complex located in Sun City Festival. In 2013, new model homes were introduced into the community and previous models were discontinued. The new model home complex is located within the District and is adjacent to the existing model home complex, and the existing 12,000 square foot Sun City Festival Sales Center. The 18-hole Copper Canyon Golf Course is owned and operated by the homeowners association for Sun City Festival and a 31,000+/- square foot recreation center, a 15,000+/- square foot restaurant/clubhouse/cart barn, a softball complex, a 9,000 square foot arts and crafts center and related recreational amenities are also complete within Sun City Festival and will be owned and operated by the same homeowners association. The golf course and related facilities are operated by the homeowner's association, which is subsidized in part by Pulte. Festival Foothills includes a 12+/- acre neighborhood park, splash pad, and a linear park with trails throughout.

THE PUBLIC INFRASTRUCTURE

The information contained in this section relates to and has been obtained from Pulte, unless otherwise sourced or noted, and neither the District nor the Underwriter assumes any responsibility for the accuracy or completeness thereof. The information included under the heading "RISK FACTORS" as it relates to the information contained under this heading is hereby incorporated under this heading by this reference.

In addition to the infrastructure described under the heading "OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS – Other Debt of the District," certain infrastructure is being constructed in connection with the development and construction of residential and commercial development as described hereinbelow. Except as set forth under the heading "PUBLIC INFRASTRUCTURE FINANCED BY THE BONDS," none of such infrastructure is being financed with proceeds of the sale of the Bonds, but instead will be financed by Pulte and may be the subject of acquisition from proceeds of future bond offerings by the District.

Water Reclamation Facility

Current plans for sewer service within the District call for a multi-phase water reclamation facility (the "WRF") which is designed to handle all development within the District. Such facility will ultimately be owned and operated by the City. This facility may be constructed in multiple phases of 0.50 million gallons of capacity each. The City has also secured an additional MAG 208 Amendment that includes areas outside the District and allows for a significant increase in the size of the WRF in the future. The primary effluent discharge method will be re-use for irrigation purposes on the golf courses. Such discharge is currently being used by the City and will require certain permits before it will be available for irrigation use. Until additional effluent is available, the golf course will be irrigated in part with a portion of Pulte's Central Arizona Project water allotment. Pulte and certain other owners of property inside and outside of the District have entered into a joint development agreement for the cooperative development of future phases of the WRF. Pursuant to such joint agreement, Pulte has the right to construct additional phases for its own accord if need be.

Construction of the first phase of the WRF (the "First Phase") is complete, and such facility is being operated by the City and is past the warranty period. The first phase is able to serve approximately 5,200 residential units within the District. Current development plans include commencement of the planning and construction for future expansion phases (up to an additional 1.0 million gallons per day capacity) with the construction to commence, depending upon market conditions and demand. The actual number of units that can be served will depend in part on whether the unit is an age restricted (active adult) or conventional unit. Active adult units generally have fewer residents per unit and generate less wastewater on a gallons per day basis than conventional units. Based upon residential sales to date, there should be sufficient remaining sewer capacity within the First Phase to support approximately 2,500 additional residences without the construction of any additional expansion phases to the WRF, depending upon the split of usage between active adult and conventional uses.

Water Production Campus

Water service for the district is provided by three water production campuses which are operated by the City. The first water production campus (Water Plant #1 and Well #1), is located at the southeast corner of Desert Vista Boulevard and Beardsley Parkway. The second water production campus (Well #2) is located approximately a quarter mile west of Water Plant #1. The third water production plant (Well #3) is located approximately a quarter mile north of the Water Plant #1. Water Plant #1 is planned for 2.4 million gallons of total storage (constructed in two phases of 1.2 million gallons), and contains a production well and booster pumps. Current development plans include the future planning and construction of additional wells, storage, and booster facilities to be connected into Water Plant #1, and the timing of additional facilities will be dependent upon demand, market conditions, and physical water source characteristics. The current water system is capable of supporting approximately 5,200 active adult and 1,350 conventional residential units. As with wastewater usage and capacity, there is also a difference in the water demand between active adult and conventional units, with active adult units utilizing significantly less water on a gallons per day basis. All Arizona Department of Water Resources ("ADWR") permits and approvals have been secured for the three existing well facilities. Construction of Water Plant #1 (except for the second phase

storage tank of 1.2 million gallons and certain ancillary equipment) and the three production wells have been substantially completed.

Assured Water Supply

Currently, the City is not designated as having an assured water supply service area pursuant to applicable Arizona law. The City has submitted an application with the ADWR to obtain a designation of having an assured water supply. If the City receives such designation, the City will utilize Pulte water sources to supply water to property owned or developed by Pulte in the District. Until the City receives such designation, in order to plat, subdivide and sell lots, owners of property in the District must obtain a Certificate of Assured Water Supply (a "Certificate") from ADWR. Obtaining Certificates requires, among other things, a hydrology study supporting determinations that sufficient water will be continuously available to satisfy the water needs of the proposed use for at least 100 years, that any projected groundwater use is consistent with the water management plan approved by ADWR and achievement of the management goal for the area, and that the financial capability to construct the delivery system exists. The City has agreed to take all reasonable steps to assist Pulte in connection with applications for Certificates for portions of such area and entering into such contracts as may reasonably be required by the Central Arizona Groundwater Replenishment District pursuant to applicable Arizona law which are required in order for the area to qualify as "member land" under applicable Arizona law. See "RISK FACTORS."

The District lies within the Lower Hassayampa Groundwater Sub-Basin. Property within the District is expected to be served primarily from groundwater from the Lower Hassayampa Groundwater Sub-Basin.

On January 22, 2004, ADWR issued an Analysis of Assured Water Supply (the "Analysis") for the property within the District. In the Analysis, ADWR determined that 7,690 acre feet per year of groundwater will be physically available for 100 years, which is equivalent to the projected build-out demands for the District. The proposed development evaluated by ADWR includes 3,208 single family residential lots, 9,018 active adult single family residential lots, 1,450 multi-family residential units and 1,122 nonresidential acres containing commercial areas, a hospital, schools, parks, rights of way, a community center, easements, and golf courses.

The Analysis is used in support of applications for Certificates. With respect to the property covered by the Analysis, four Certificates have been issued by ADWR. The first was issued November 23, 2004, for 3,473 lots, with an estimated water demand of 2,130.14 acre feet per year. The second was issued May 7, 2006, for 819 lots, with an estimated water demand of 608.72 acre feet per year. The third was issued on February 5, 2009 for 608 lots with an estimated water demand of 646.81 acre feet per year. The fourth was issued on April 8, 2009 for 259 lots with an estimated water demand of 258.63 acre feet per year. Applications for Certificates for the remainder of the property within the District will be dependent upon market conditions and demand.

On November 13, 2012 an Extension of the Analysis of Assured Water Supply was issued by ADWR, which acknowledged the existing Certificates of Assured Water Supply that were previously issued (3,644.30 acre feet per year to be physically available for 100 years). An extension of the original Analysis was granted until January 22, 2019, and established that the remaining groundwater capacity of 4,045.70 acre feet per year shall be available for future applications. The extension also indicated that all other conditions of the original Analysis shall continue to apply.

Maintaining sufficient water supplies in the Lower Hassayampa Groundwater Sub-Basin may require efforts to supplement the groundwater supply through purchase of water for use or recharge and through recharge and reuse of treated effluent, all at levels greater than currently in place. The cost of facilities for effluent recharge and reuse are substantial. Failure to maintain sufficient supplies in the Lower Hassayampa Groundwater Sub-Basin may prevent further development from obtaining Certificates. ADWR may revoke a Certificate if an assured water supply does not exist, but cannot revoke a Certificate if any of the residential lots within the plat have been sold. As to the Certificates issued November 23, 2004, for 3,473 lots, May 7, 2006, for 819 lots and February 5, 2009, for 608 lots, at least one lot has been sold in such areas. Loss of, or inability to obtain, necessary Certificates may have adverse effects on development of land within the District and on repayment of the Bonds. See "RISK FACTORS - Completion of the Public Infrastructure and the Other Infrastructure."

Streets/Water and Sewer Lines

Pulte plans to construct on property it owns within the District all required arterial and collector roads (including related landscaping), all sewer trunk lines and any required wastewater treatment, and all water distribution and water supply facilities.

Completed improvements include the following: approximately 34,500 lineal feet of trunk sewer, approximately 57,696 lineal feet of water supply and distribution lines, storm drain, paving and concrete on (i) Canyon Springs Boulevard from Sun Valley Parkway past Beardsley Parkway to Tina Lane; (ii) Desert Vista Boulevard from Beardsley Parkway in Festival Foothills past Canyon Springs Boulevard looping back to Beardsley Parkway in Sun City Festival; (iii) Mountain Ridge Boulevard from Desert Vista Boulevard to Desert Oasis Boulevard; (iv) Desert Oasis Boulevard from Sun Valley Parkway to Beardsley Parkway; (v) Beardsley Parkway from Desert Vista in Sun City Festival to Desert Vista in Festival Foothills; and (vi) Desert Vista Boulevard from Beardsley Parkway to Firehawk Drive. Construction of future roadways will be dependent on existing roadway capacities and the need to provide safe vehicular access within the District.

Approximately 19,020 linear feet of arterial roadway (3.60 miles) and 17,742 linear feet of collector roadway (3.36 miles) have been constructed in the District by Pulte. Such infrastructure also includes approximately 137,150 linear feet of local streets (25.97 miles). Such "Public Infrastructure" was completed as of March 2016 and has been or will be dedicated to the City.

Pulte has, or plans in the future to, publicly bid the improvements outlined above and plans to pay for the construction of same. Pulte anticipates that these improvements will be eligible to be reimbursed from future bond offerings by the District.

Police and Fire

A joint police and fire facility (the "Public Safety Building") is currently under construction at the southwest corner of Dessert Oasis Boulevard and Beardsley Parkway. The $6,200,000.00 facility is being constructed jointly by the City and Pulte, with funding provided by both parties. Construction of the Public Safety Building should be completed by the third quarter of 2016, with the Facility being equipped and open shortly thereafter. To date, Pulte has provided a temporary police and fire facility at the southeast corner of Beardsley Parkway and Canyon Springs Boulevard. This facility will remain operational until the Public Safety Building is completed and operational.

Other

Electrical service for the District is provided by Arizona Public Service Company. Telephone and data service is provided by Cox Communications and Zona Communication. Cable television service is provided by Cox Communications.

The District is located in Wickenburg Unified School District No. 9. A K-8 school is located within Festival Foothills. This elementary school opened in the Fall of 2008. High school students attend Wickenburg High School.

The District receives primary vehicular access from Sun Valley Parkway. Provisions for arterial and collector vehicular access provide additional access within property subject to the District. A feasibility study is being prepared by the Maricopa County Department of Transportation regarding the location of a proposed parkway connecting Highway 85 to State Route 74 and Highway 60. Depending upon the results of such study, additional access may be available to the property in the District. However, Pulte is currently unsure of the final location of the proposed parkway.

PUBLIC INFRASTRUCTURE FINANCED BY THE BONDS

The information contained in this section relates to and has been obtained from Pulte, unless otherwise sourced or noted, and neither the District nor the Underwriter assumes any responsibility for the accuracy or completeness thereof. The information included under the heading "RISK FACTORS" as it relates to the information contained under this heading is hereby incorporated under this heading by this reference.

Proceeds of the Bonds will be used, and proceeds of prior bond issuances have been used, to finance certain public infrastructure (the "Public Infrastructure Financed by the Bonds"), which is comprised of approximately 34,500 linear feet of trunk sewer lines constructed throughout the District and approximately 19,000 linear feet of arterial roadway (2.3 miles) and 17,742 linear feet of collector roadway (3.36 miles) constructed in the District, including landscaping, approximately 137,150 linear feet of local streets (25.97 miles), Water Plant #1 and Wells #1, #2 and #3, approximately 57,699 linear feet (10 miles) of water line, approximately 49,500 linear feet (9.37 miles) of reclaimed water lines, the WRF and related facilities. The Public Infrastructure Financed by the Bonds was completed in or prior to April 2016 and has been or will be dedicated to the City. The total estimated cost of the Public Infrastructure Financed by the Bonds is greater than the amount to be available from proceeds of the sale of the Bonds; the balance of the cost of the Public Infrastructure Financed by the Bonds has been paid by Pulte. Unreimbursed costs of Public Infrastructure Financed by the Bonds may be eligible to be reimbursed by the sale of bonds by the District in the future should the District elect to issue such additional bonds.

PULTE

The information contained in this section relates to and has been obtained from Pulte, and neither the District nor the Underwriter assumes any responsibility for the accuracy or completeness thereof. The information included under the heading "RISK FACTORS" as it relates to the information contained under this heading is hereby incorporated under this heading by this reference.

Pulte is a wholly-owned subsidiary of PulteGroup, Inc., a Michigan corporation formerly known as Pulte Homes, Inc., which is a publicly traded company listed on the New York Stock Exchange ("PulteGroup"). PulteGroup is subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith file reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information (collectively, the "Filings") may be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 and Northwestern Atrium Center, 400 West Madison Street, Suite 1400, Chicago, Illinois. Copies of the Filings can be obtained from the public reference section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. In addition, the Filings may also be inspected at the offices of the NYSE at 20 Broad Street, New York, NY 10005. The Filings may also be obtained through the Internet on the Commission's EDGAR database at http://www.sec.gov. None of the District, Gust Rosenfeld P.L.C. ("Bond Counsel"), the Underwriter or Greenberg Traurig, LLP ("Counsel to the Underwriter") has examined the information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same. The Company operates in more than 900 communities across 29 states and the District of Columbia, and serves all major customer segments through its family of brands that includes Pulte Homes, Centex and Del Webb.

SOURCES AND APPLICATION OF FUNDS

Sources

Par Amount of Bonds	$5,575,000.00*
[Net] Original Issue Premium/Discount *(a)*	
Pulte Contribution	
Total	

Applications

Cost of Acquisition	
Payment of Costs of Issuance *(b)*	
Total	

* *Subject to change.*

(a) *Net original issue premium consists of original issue premium on the Bonds, less original issue discount on the Bonds.*

(b) *Will include premium on the Policy and compensation and costs of the Underwriter (as defined herein) with respect to the Bonds.*

RISK FACTORS

THIS SECTION SETS FORTH A BRIEF SUMMARY OF SOME OF THE PRINCIPAL RISK FACTORS IN INVESTING IN THE BONDS. PROSPECTIVE INVESTORS SHOULD FULLY UNDERSTAND AND EVALUATE THESE RISKS, IN ADDITION TO THE OTHER FACTORS SET FORTH IN THIS OFFICIAL STATEMENT, BEFORE MAKING AN INVESTMENT DECISION. INVESTMENT IN THE BONDS SHOULD BE MADE ONLY AFTER CAREFUL EXAMINATION OF THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES HERETO.

General Risks of Real Estate Investment and Development; Certain Factors Which May Adversely Affect Development; Consequences

Investments in developing real estate such as undeveloped areas in the District are generally considered to be speculative in nature and to involve a high degree of risk. Owners of land in the District will be subject to the risks generally incidental to real estate investments and development including those described herein below.

Construction of houses on the lots within the District may be affected by changes in the income tax treatment of real property ownership; changes in national, regional and local market and economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes to be built in the District, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; force majeure (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; subcontractor defaults; and other unknown contingencies and factors beyond the control of the owners of such land. Land development within the District also could be affected adversely by changes in governmental policies, including, but not limited to, governmental policies to restrict or control development.

The residential development business, particularly with respect to communities such as that within the boundaries of the District, is highly competitive in the Phoenix metropolitan area. The business of merchant builders building in the District will face competition from a number of competitors in the City and other developments throughout the Phoenix metropolitan area, many of which offer or intend to offer lots and parcels in similar communities to a similar target market.

Decreased absorption rates associated with future economic slowdowns could adversely affect land values and reduce the ability or desire of the property owners to pay ad valorem property taxes and assessments. In that event, there could be a default in the payment of principal of and interest on the Bonds.

Vacant lots also provide less security to the holders of the Bonds should it be necessary for the District to foreclose due to nonpayment of ad valorem taxes. An inability to develop the remaining land within the District would likely reduce the diversity of ownership of land within the District, making the holders of the Bonds more dependent upon timely payment of the ad valorem taxes levied on the vacant lots.

Development requires obtaining a variety of governmental approvals and permits. Such approvals and permits are necessary to initiate construction and to allow the sale and occupancy of homes and to satisfy conditions included in the approvals and permits. There can be no assurance that all of these permits and approvals can be obtained or that the conditions to the approvals and permits can be fulfilled. The failure to in any of the required approvals or fulfill any one of the conditions could cause materially adverse financial results.

Failure or Inability to Complete Proposed Development

The development of land in the District will be staged so that only a particular phase is planned to be developed at one time. Funding for development of property in the District will be provided by third-party lenders, Pulte and other sources. The availability of funding for the completion of Sun City Festival and Festival Foothills will depend upon the demand for residential lots or units within such communities and local, regional and national market and

economic conditions. No assurance is given that funding will be obtained for development of property in the District, or, if obtained, will be in an amount sufficient to complete development of Festival Foothills and Sun City Festival. If satisfactory funding is unavailable, Pulte may be required to delay or suspend completion of the development of the balance of Sun City Festival and Festival Foothills.

Public and private on-site and off-site improvements may increase the public and private debt for which the land within the District is security. The burden of additional debt would be placed on the land within the District to complete the necessary improvements. See "Direct and Overlapping Indebtedness."

Completion of the Public Infrastructure and the Other Infrastructure

The assessed valuation of the taxable property in the District may increase if and as the development of the Project continues. However, less than expected increases or decreases in the future assessed valuation of the taxable property in the District may reduce the willingness of landowners to pay the ad valorem property taxes securing the Bonds or adversely affect the interest of potential buyers of such property at any foreclosure sale for purposes of paying such taxes. See also "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS - Ad Valorem Property Taxation in the District."

The construction of infrastructure for development of the land in the District is not yet complete. See "LAND DEVELOPMENT" and "THE PUBLIC INFRASTRUCTURE." The cost and time for completion of all of such improvements is uncertain and may be affected by changes like those described hereinabove. If cost overruns result in delay of construction, or if other delays are experienced, sale of lots and construction of homes may be delayed. Failure or inability to complete proposed development including development of necessary utilities could affect adversely development of the land in the District.

Sale of Portions of the Land in the District

It is possible that Pulte or other land owners within the District may sell portions of their land to other owners. Such new owners may not develop their land on the same schedule as Pulte or the other land owners, thus slowing the pace of growth and delaying increases in assessed valuation.

Availability of Utilities

Water and sewer service to the District will be provided by the City as described under the subheading "THE PUBLIC INFRASTRUCTURE." Failure or inability to complete proposed development including development of necessary utilities could affect adversely development of the land in the District. See "Failure or Inability to Complete Proposed Development." Certain utilities are to be developed by the City pursuant to certain development agreements including as described above. There can be no assurances that such utilities will be financed and developed.

Effect of Valuation of Property

Information is provided herein with respect to the valuation of land within the District. See "SECURITY FOR AND SOURCES OF PAYMENT - Ad Valorem Property Taxation in the District." Such valuation, and particularly decreases therein, may reduce the willingness of landowners to pay the ad valorem taxes securing the Bonds, as well as adversely affect the interest of potential buyers of such property at any foreclosure sale for purposes of paying such taxes.

Direct and Overlapping Indebtedness

The ability of an owner of land within the District to pay its ad valorem taxes could be affected by the existence of other taxes and assessments imposed upon the property, including special assessment bonds. The District and other political subdivisions whose boundaries overlap those of the District could, without the consent of the District and, in certain cases, without the consent of the owners of the land within the District, impose additional ad valorem taxes or assessment liens on the property within the District in order to finance public improvements to be located inside or outside of the District. (The existing public debt relating to the District is set forth in "OVERLAPPING,

ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS.") The lien created on the property within the District through the levy of ad valorem taxes would be on a parity with that for the ad valorem taxes securing the Bonds. The imposition of additional parity liens, junior liens, in the case of special assessments, or even private financing, may reduce the ability or willingness of the owners of land within the District to pay the ad valorem property taxes securing the Bonds. In that event, there could be a default in the payment of the Bonds.

From time to time there are legislative proposals in the Arizona Legislature that, if enacted, could alter the basis on which ad valorem taxes (including those that secure the Bonds) are assessed, levied and collected and which could affect, among other things, the distribution of the amount of taxes various classifications of property may be obligated to pay. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would affect the Bonds or other obligations issued prior to enactment.

Bankruptcy and Foreclosure Delays

The payment of the ad valorem taxes securing the Bonds and the ability of the District to foreclose the lien of delinquent, unpaid, ad valorem taxes may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. Although bankruptcy proceedings would not extinguish the ad valorem taxes securing the Bonds, the bankruptcy of a property owner could result in a delay in the foreclosure proceedings. Such delay would increase the likelihood of a delay or default in payment of the Bonds when due. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – *Ad Valorem* Property Taxation in the District."

It should be noted that in the event of a bankruptcy of a taxpayer pursuant to the United States Bankruptcy Code (the "Bankruptcy Code"), the law is currently unsettled as to whether a lien can be attached against the taxpayer's property for property taxes levied during the pendency of the bankruptcy proceedings. Such taxes might constitute an unsecured and possible non-interest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are over secured, and then possibly only on a pro rata basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact the bankruptcy of a property owner might have on the ability of the District to collect ad valorem taxes levied on that property before or during the bankruptcy proceedings. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on the property.

When a debtor files or is forced into bankruptcy, any act to obtain possession of the debtor's estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover any claim against the debtor or its estate that arose before the commencement of the bankruptcy is automatically stayed pursuant to the Bankruptcy Code. While the stay may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor in bankruptcy would be subject to the stay of bankruptcy court. Furthermore, "tax sale investors" may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of post-bankruptcy petition tax collections become uncertain.

In the event the District is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the District's tax rate charged to non-bankrupt taxpayers during such subsequent years.

It cannot be determined what impact any deterioration of the financial condition of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of or the secondary market for the Bonds. Neither the District, the Underwriter or their respective agents or consultants have undertaken any independent investigation of the operations and financial condition of any of the property owners in the District, nor have they assumed responsibility for the same.

In addition, the various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified, as to the enforceability of the various legal instruments, by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Amendment of Documents Referenced

The reports, inspections and other documents described in this Official Statement may be modified, updated or amended (as new reports and/or inspections may be obtained), and such modifications may materially and adversely affect the development of the property (e.g., updating of environmental reports).

The development of the property within the District is only approximately 30 percent complete. Circumstances could change as the development process continues and other issues are raised or new developers or owners become involved. Accordingly, Pulte anticipates that there may be significant changes to the agreements and contracts summarized in this Official Statement to address any such issues. Because the existing contracts and agreements are subject to change, the summaries of any contracts or agreements contained hereinabove may not accurately reflect the future conditions relating to the development of the District; however, Pulte does not presently anticipate that any modifications of the current contracts or agreements would materially affect the repayment of the Bonds.

Environmental Matters

Property in the District will be subject to risks arising out of environmental, archaeological and biological considerations generally associated with the ownership of real estate and the construction of improvements located thereon. Such risks include, in general, potential liability arising as a result of any contamination later discovered on the site and the possibility of a decline in property values in Festival Foothills and Sun City Festival resulting from any contamination on the site or from the proximity of the site to other contaminated areas; or discovery of archaeological artifacts located on the site or in the vicinity of the site; discovery of endangered species of animals, plants or other habitat for endangered species and a determination of the waterways of the United States against dredging or fill. Liability may arise under a variety of federal, state or local environmental laws and regulations, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Resource Conservation and Recovery Act (RCRA), the Endangered Species Act and the National Historical Preservation Act. In addition, development may require approvals and actions under the Clean Water Act and the National Environmental Protection Act may limit, delay or change materially the number and type of development on the site.

Projections

Included in this Official Statement are various projections. The projections are based on assumptions concerning future events and should be viewed with an abundance of caution. Circumstances that may not yet be ascertainable, which Pulte believes to be significant and which Pulte cannot control may also exist. There are usually differences between projections and results, because events frequently do not occur as expected, and those differences may be material. There can be no assurances that the various projections set forth in this Official Statement can be achieved.

Cancellation of Contracts

The State, its political subdivisions, including the District, or any department or agency of either may, within three years after its execution, cancel any contract, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions (including the District) or any of the departments or agencies of either is, while the contract or any extension thereof is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. Cancellation of contracts entered into by the District may adversely affect the Bonds.

LITIGATION

No litigation or administrative action or proceeding is pending to restrain or enjoin, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, the levy and collection of taxes to pay the debt service on the Bonds, to contest or question the proceedings and authority under which the Bonds have been authorized and are to be issued,

sold, executed or delivered, or the validity of the Bonds. Representatives of the District will deliver a certificate to the same effect at the time of the initial delivery of the Bonds.

TAX EXEMPTION

In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming continuing compliance with certain restrictions, conditions and requirements by the District as described below, interest income on the Bonds is excluded from gross income for federal income tax purposes. In the opinion of Bond Counsel, interest income on the Bonds is exempt from State income taxes. The opinion of Bond Counsel will be dated as of the date of initial delivery of the Bonds. The form of such opinion is included as APPENDIX B – "FORM OF LEGAL OPINION OF BOND COUNSEL" attached hereto.

The Internal Revenue Code of 1986, as amended, (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 its investment earnings with respect to the Bonds. The District has covenanted to comply with the provisions of the Code relating to such matters. 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, under certain circumstances, from the date of initial issuance. The Bonds do not provide for an adjustment in the interest rate or yield in the event of taxability and an event of taxability does not cause an acceleration of the principal on the Bonds. The opinion of Bond Counsel assumes continuing compliance with such covenants.

The Code also imposes an "alternative minimum tax" upon certain corporations and individuals. A taxpayer's "alternative minimum taxable income" ("AMTI") is its taxable income with certain adjustments. Interest income on the Bonds is not an item of tax preference to be included in the AMTI of individuals or corporations.

Notwithstanding the preceding sentence, one of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess (if any) of the corporation's "adjusted current earnings" over the corporation's AMTI for the taxable year (determined without regard to such adjustment for excess book income and the alternative tax net operating loss deduction). A corporation's "adjusted current earnings" includes all tax-exempt interest, including the interest on the Bonds.

Although Bond Counsel will render an opinion that, as of the delivery date of the Bonds, interest income on the Bonds is excluded from gross income for federal income tax purposes, the accrual or receipt of interest on the Bonds may otherwise affect a Beneficial Owner's (as defined in APPENDIX C – "BOOK-ENTRY-ONLY SYSTEM") federal tax liability. Certain taxpayers may experience other tax consequences. Taxpayers who become Beneficial Owners of the Bonds, including without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain subchapter S corporations, individuals who receive Social Security or Railroad Retirement benefits and taxpayers who have or are deemed to have incurred indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the applicability of such tax consequences to the respective Beneficial Owner. The nature and extent of these other tax consequences will depend upon the Beneficial Owner's particular tax status and the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

The Bonds are not "private activity bonds" within the meaning of Section 141 of the Code.

Currently and from time to time, there are legislative proposals in Congress, which, if enacted or made effective, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. Any such change that occurs before initial delivery of the Bonds could cause Bond Counsel to deliver an opinion substantially different from the opinion shown in APPENDIX B – "FORM OF LEGAL OPINION OF BOND COUNSEL". The extent of change in Bond Counsel's opinion cannot be determined at this time. It cannot be predicted whether, when or in what form any such proposal or proposals might be enacted or whether, if enacted, such proposal or proposals would apply to obligations (such as the Bonds) issued prior to the enactment or effective date. Prospective purchasers should consult with their own tax advisors regarding any other pending or proposed federal income tax legislation.

ORIGINAL ISSUE DISCOUNT

The initial public offering prices of the Bonds maturing on July 1, 20___ through and including July 1, 20___ (collectively, the "Discount Bonds") are less than the respective amounts payable at maturity. As a result, the Discount Bonds will be considered to be issued with original issue discount. The difference between the initial public offering price (the "Issue Price") of the Discount Bonds, and the amount payable at maturity, of the Discount Bonds will be treated as "original issue discount." With respect to a Beneficial Owner who purchases a Discount Bond in the initial public offering at the Issue Price and who holds the Discount Bond to maturity, the full amount of original issue discount will constitute interest income which is not includible in the gross income of the Beneficial Owner of the Discount Bond for federal income tax purposes and Arizona income tax purposes and that Beneficial Owner will not, under present federal income tax law and present Arizona income tax law, realize a taxable capital gain upon payment of the Discount Bond at maturity.

The original issue discount on each Discount Bond is treated for federal income tax purposes and Arizona income tax purposes as accreting daily over the term of such Discount Bond on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period from the date of original issue) ending on January 1 and July 1 (with straight-line interpolation between compounding dates).

The amount of original issue discount accreting each period will be added to the Beneficial Owner's tax basis for the Discount Bond. The adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Discount Bond. An initial Beneficial Owner of a Discount Bond who disposes of the Discount Bond prior to maturity should consult his or her tax advisor as to the amount of the original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or disposition of the Discount Bond prior to maturity.

The Code contains certain provisions relating to the accretion of original issue discount in the case of subsequent Beneficial Owners of the Discount Bonds. Beneficial Owners who do not purchase the Discount Bonds in the initial offering at the Issue Price should consult their own tax advisors with respect to the tax consequences of the ownership of Discount Bonds.
A portion of the original issue discount that accretes in each year to a Beneficial Owner of a Discount Bond may result in certain collateral federal income tax consequences as described in "TAX EXEMPTION" herein. Beneficial Owners of Discount Bonds in states other than Arizona should consult their own tax advisors with respect to the state and local tax consequences.

BOND PREMIUM

The initial public offering prices of the Bonds maturing on July 1, 20___ through and including July 1, 20__ (collectively, the "Premium Bonds") are greater than the respective amounts payable on such Premium Bonds at maturity. An amount equal to the difference between the Issue Price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial Beneficial Owner of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial Beneficial Owner must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial Beneficial Owner is determined by using such Beneficial Owner's yield to maturity. Beneficial Owners of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium with respect to the Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning Premium Bonds.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Board has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code, which relates to the ability of certain financial institutions to deduct interest expense allocable to holding and carrying tax-exempt obligations for federal income tax purposes. Representatives of the Board will represent and warrant that they do not anticipate that the aggregate amount of tax-exempt obligations that will be issued by or on behalf of the District in calendar year 2016 will exceed $10,000,000.

RATINGS

S&P is expected to assign the rating of "AA" (stable outlook) to the Bonds with the understanding that the Policy will be delivered by BAM simultaneously with the issuance of the Bonds. S&P has also assigned the underlying rating of "BBB" to the Bonds. Such ratings reflect only the view of S&P. An explanation of the significance of any rating assigned by S&P may be obtained at 55 Water Street, 38th Floor, New York, New York 10041-0003. Such ratings may be revised downward or withdrawn entirely at any time by S&P if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds. The District has covenanted in its continuing disclosure undertaking that it will file notice of any formal change in any rating relating to the Bonds. See "CONTINUING DISCLOSURE" and APPENDIX D – "FORM OF CONTINUING DISCLOSURE UNDERTAKING" hereto.

LEGAL MATTERS

The Bonds are sold with the understanding that the District will furnish the Underwriter with the approving opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Bond Counsel addressing legal matters relating to the validity of the Bonds under Arizona law, and with regard to the tax-exempt status of the interest thereon (see "TAX EXEMPTION"). The signed legal opinion of Bond Counsel is dated and premised on the law in effect only as of the date of original delivery of the Bonds and will be delivered to the District at the time of original issuance. The fees of Bond Counsel and Counsel to the Underwriter are expected to be paid from the proceeds of the sale of the Bonds and are contingent upon delivery of the Bonds.

The proposed text of the legal opinion is set forth as APPENDIX B – "FORM OF LEGAL OPINION OF BOND COUNSEL." The legal opinion to be delivered may vary from the text of APPENDIX B – "FORM OF LEGAL OPINION OF BOND COUNSEL" if necessary to reflect the facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution, by recirculation of this Official Statement or otherwise, should not be construed as a representation that Bond Counsel has reviewed or expressed any opinion concerning any matters relating to the Bonds subsequent to the original delivery of the Bonds.

Bond Counsel has reviewed the information in the tax caption on the cover page as well as the information under the headings "THE BONDS," "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS," "TAX EXEMPTION," "ORIGINAL ISSUE DISCOUNT," "BOND PREMIUM," "CONTINUING DISCLOSURE" (except as it relates to compliance with prior continuing disclosure certificates) and "RELATIONSHIP AMONG PARTIES" (but only as it applies to Bond Counsel) and in APPENDICES B – "FORM OF LEGAL OPINION OF BOND COUNSEL" and D – "FORM OF CONTINUING DISCLOSURE UNDERTAKING" but otherwise has not participated in the preparation of this Official Statement and will not pass upon its accuracy, completeness or sufficiency. Bond Counsel has neither examined nor attempted to examine nor verify any of the financial or statistical statements or data contained in this Official Statement and will express no opinion with respect thereto.

Certain legal matters will be passed upon for the Underwriter by Greenberg Traurig, LLP, Counsel to the Underwriter.

Currently and from time to time, there are legislative proposals (and interpretations of such proposals by courts of law and other entities and individuals) which, if enacted, could alter or amend the property tax system of the State and numerous matters, both financial and non-financial, affecting the operations of community facilities districts

which could have a material effect on the District and could adversely affect the secondary market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to obligations (such as the Bonds) issued prior to enactment.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. The rendering of an opinion also does not guarantee the outcome of any legal dispute that may arise out of the transaction.

UNDERWRITING

The Bonds will be purchased by Stifel, Nicolaus & Company, Incorporated (the "Underwriter") at an aggregate purchase price of $_____, pursuant to a bond purchase agreement (the "Bond Purchase Agreement") entered into by and between the District and the Underwriter. If the Bonds are sold to produce the yields shown on the inside front cover page hereof, the Underwriter's compensation will be $_____. The Bond Purchase Agreement provides that the Underwriter will purchase all of the Bonds so offered if any are purchased. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into unit investment trusts) and others at prices higher or yields lower than the public offering prices or yields stated on the inside front cover page hereof. The initial offering yields set forth on the inside front cover page may be changed, from time to time, by the Underwriter.

CONTINUING DISCLOSURE

The District will covenant for the benefit of certain owners of the Bonds to provide certain financial information and operating data relating to the District by not later than February 1 in each year commencing February 1, 2017 (the "Annual Reports"), and to provide notices of the occurrence of certain enumerated events (the "Notices of Listed Events"). The Annual Reports, the Notices of Listed Events and any other document or information required to be filed by the District as such will be filed with the MSRB through, EMMA, as described in APPENDIX D – "FORM OF CONTINUING DISCLOSURE UNDERTAKING." The specific nature of the information to be contained in the Annual Reports and the Notices of Listed Events is also set forth in APPENDIX D - "FORM OF CONTINUING DISCLOSURE UNDERTAKING." These covenants will be made in order to assist the Underwriter in complying with the Securities and Exchange Commission's Rule 15c2-12(b)(5) (the "Rule"). A failure by the District to comply with these covenants must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price. *Pursuant to Arizona Law, the ability of the District to comply with such covenants will be subject to annual appropriation of funds sufficient to provide for the costs of compliance with such covenants.* Should the District not comply with such covenants due to a failure to appropriate for such purpose, the District has covenanted to provide notice of such fact to the MSRB. Absence of continuing disclosure, due to non-appropriation or otherwise, could adversely affect the Bonds, specifically their market price and transferability.

Continuing disclosure undertakings previously entered into by the District called for the District to file an annual report with respect to the fiscal year ended June 30, 2012, by February 1 of the following fiscal year. The District failed to properly attribute the correct CUSIP numbers on EMMA for the annual report with respect to the fiscal year ended June 30, 2012, for the Series 2012 Bonds. The District properly attributed the correct CUSIP numbers on EMMA for the annual report with respect to the fiscal year ended June 30, 2012, for the Series 2012 Bonds as of November 6, 2013. The District reviewed its filing requirements pursuant to the Prior Undertakings and has implemented procedures it believes will facilitate compliance with all current and future undertakings in all material respects.

FINANCIAL ADVISOR

FirstSouthwest, a Division of Hilltop Securities Inc. (the "Financial Advisor") has been engaged by the District for the purpose of advising the District as to certain debt service structuring matters specific to the Bonds and on certain matters relative to the District's overall debt financing program. The Financial Advisor has assisted in the assembly and preparation of this Official Statement at the direction and on behalf of the District. No person is entitled to rely on the Financial Advisor's participation as an assumption of responsibility for, or an expression of opinion of any kind with regard to, the accuracy and completeness of the information contained herein.

RELATIONSHIP AMONG PARTIES

Bond Counsel has previously represented, and is currently representing, the Underwriter with respect to other financings and has acted or is acting as bond counsel with respect to other bonds underwritten by the Underwriter and may do so in the future. Bond Counsel also serves and has served as bond counsel for one or more of the political subdivisions that the District territorially overlaps. Counsel to the Underwriter has previously acted as bond counsel with respect to other bonds underwritten by the Underwriter and may continue to do so in the future if requested.

The Underwriter and the Financial Advisor have underwritten or acted as financial advisor with respect to bonds issued by the City and other overlapping political subdivisions.

This Official Statement has been approved, executed and delivered by the District.

FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT

By: _____

District Chairman, District Board

APPENDIX A

INFORMATION REGARDING THE CITY OF BUCKEYE, ARIZONA

The following information concerning the City is for background information only as the District lies within the geographical limits of the City. THE BONDS ARE NOT AN OBLIGATION OF THE CITY IN ANY RESPECT. THE BONDS ARE DIRECT GENERAL OBLIGATIONS OF THE DISTRICT, PAYABLE FROM AD VALOREM TAXES LEVIED AGAINST ALL TAXABLE PROPERTY IN THE DISTRICT, AS DESCRIBED UNDER THE HEADING "SECURITY FOR AND SOURCES OF PAYMENT."

General

The City is located approximately 30 miles from downtown Phoenix, Arizona ("Phoenix"), approximately four miles south of Interstate 10 on State Route 85. The City was founded in 1888 and incorporated in 1929. The City's municipal boundaries encompass approximately 650 square miles and sits at an elevation of 888 feet above sea level. Not all property within the perimeter boundaries of the City are annexed into the City, however over 392 square miles are annexed into the City.

The following table illustrates respective population statistics for the City, the County and the State.

POPULATION STATISTICS

Calendar Years	City of Buckeye	Maricopa County	State of Arizona
2015 Estimate *(a)*	61,173	4,076,438	6,758,251
2010 Census	50,876	3,817,117	6,392,017
2000 Census	8,497	3,072,149	5,130,632
1990 Census	4,436	2,122,101	3,665,339
1980 Census	3,434	1,509,175	2,716,546
1970 Census	2,599	971,228	1,775,399

(a) Estimate as of July 1, 2015.

Source: Arizona Department of Commerce, Population Statistics Unit and the U.S. Census Bureau.

Transportation

State Route 85, connecting the City with Phoenix, runs north to south just west of downtown Buckeye. Interstate 10 also traverses the northern portion of Buckeye. Buckeye has an airport adjacent to Interstate 10 with plans for a future runway extension. Buckeye Municipal Airport is used by small, general aviation aircraft. Sky Harbor International Airport in Phoenix provides passenger air service. Bus lines are also available in the Phoenix metropolitan area.

Government

The City operates under a Council-Manager form of government. The Mayor and six council members are elected at large to four-year terms. The City Council for Buckeye appoints a Manager who has full responsibility for carrying out council policies and administering operations.

The City provides a portion of its residents with water and sewer services; electricity is provided by Arizona Public Service Company, natural gas is provided by Southwest Gas Company and telephone service is provided by CenturyLink Communications Inc. In some areas of Buckeye water and/or sewer services are provided by private utility companies.

Economy

The Roosevelt and Buckeye Irrigation canals provide a renewable supply of water for the City's farming needs. Employment for Buckeye's residents is provided by agricultural activity services, education, government and the nearby Palo Verde Nuclear Plant. The Palo Verde Nuclear Plant is located outside the boundaries of the City approximately 20 miles west. The close proximity of the City to the greater Phoenix metropolitan area also provides employment. Part of the City's agricultural production includes Pima cotton which is processed in local cotton gins and exported worldwide. See below for certain historic employment information and a list of major employers located in and within close proximity of the City.

MAJOR EMPLOYERS
City of Buckeye, Arizona

Employer	Description	Approximate Number of Employees
State of Arizona	Government	1,090
Wal-Mart Distribution Center	Distribution center and retail	800
Buckeye Elementary School District No. 33	Education	450
City of Buckeye	Government	420
Buckeye Union High School District No. 210	Education	350
Litchfield Elementary School District No. 79	Education	225
Fry's Food Store	Grocery	190
Lowe's Home Improvement	Retail	150
Agua Fria Union High School District No. 216	Education	140
DMB Verrado Golf, LLC	Golf	110

Source: The City of Buckeye, Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2015 and Hoover's Inc., a D&B Company.

The table below illustrates the unemployment rate averages for the City, the County, the State and the United States.

UNEMPLOYMENT RATE AVERAGES

Calendar Year	City of Buckeye *(a)*	Maricopa County *(a)*	State of Arizona *(a)*	United States of America
2016 *(b)*	5.6%	4.5%	5.5%	5.0%
2015	6.2	5.2	6.2	5.3
2014	7.3	5.9	6.4	6.2
2013	9.0	6.6	7.9	7.4
2012	9.4	7.1	8.3	8.1
2011	10.8	8.4	9.4	8.9

(a) On February 29, 2012, the U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics program released 2011 annual average labor force estimates for census regions and divisions for all states. Data was revised back to January 2007 to incorporate new population controls, updated inputs.

re-estimation of models and adjustment to new census division and national control totals. On April 20, 2012, routine revisions were made to data from 2007 through 2011 for geographic areas below the State level. For all areas, estimation inputs were revised back to 2010, while the revisions for 2007 through 2009 consisted of controlling to the new State totals described above.

(b) Data through April 2016.

Source: Arizona Office of Unemployment and Population Statistics, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Economy

The County's economy is based on high technology manufacturing, light manufacturing and commercial activities (including construction and trade), tourism, government and agriculture. The table below illustrates the employment structure of the County.

NON-AGRICULTURAL EMPLOYMENT STRUCTURE *(a)*
Maricopa County, Arizona

	Percent of Total
Mining and construction	5.5%
Manufacturing	6.0
Trade, transportation and utilities	19.5
Information	2.0
Financial activities	9.1
Professional and business services	17.1
Educational and health services	14.9
Leisure and hospitality	11.0
Services and miscellaneous	3.4
Government	11.6
Total	100.0%

(a) Data through April 2016.

Source: Arizona Department of Commerce, Research Administration and the U.S. Department of Labor, Bureau of Labor Statistics.

LABOR FORCE AND NONFARM EMPLOYMENT
Maricopa County, Arizona

	2016 *(a)*	2015	2014	2013	2012	2011
Mining and construction	105,100	101,867	92,100	95,500	85,200	83,300
Manufacturing	114,900	113,508	113,300	113,800	110,300	108,300
Trade, transportation and utilities	373,600	363,825	354,900	356,900	319,000	344,500
Information	38,600	34,742	33,500	29,300	27,400	27,200
Financial activities	174,000	166,025	164,200	151,500	142,400	136,600
Professional and business services	328,700	314,025	304,700	283,200	278,600	260,900
Educational and health services	285,900	273,883	268,300	257,300	253,300	247,600
Leisure and hospitality	211,700	200,400	194,000	184,400	179,100	172,300
Other services	64,800	65,617	62,300	59,300	62,600	62,300
Government	223,600	215,050	212,400	211,800	212,400	211,600
Total	1,920,900	1,848,942	1,799,700	1,743,000	1,670,300	1,654,600

(a) Data through April 2016.

Source: Arizona Department of Commerce, Research Administration and the U.S. Department of Labor, Bureau of Labor Statistics.

Commerce

The following table illustrates taxable sales collections for Buckeye.

MUNICIPAL PRIVILEGE TAX COLLECTIONS
City of Buckeye, Arizona
($000s omitted)

Fiscal Year	Amount
2014/15	19,677
2013/14	17,042
2012/13	16,349
2011/12	14,540
2010/11	12,272

Source: Arizona Department of Revenue, Municipal Privilege Tax Collection Program.

Educational Facilities

Elementary and high school education is available through five elementary school districts, two unified school districts and two union high school districts. Higher education is provided by Estrella Mountain Community College ten miles east of Buckeye; Arizona State University located in the eastern part of the greater Phoenix area in the City of Tempe, Arizona; and Arizona State University's west campus located in the northwestern part of the greater Phoenix area in the City of Glendale, Arizona.

Bank Deposits

The following table illustrates bank deposits for the County.

BANK DEPOSITS
Maricopa County, Arizona
(in millions)

Fiscal Year	Amount
2015	$76,889
2014	70,254
2013	65,486
2012	61,674
2011	60,049

Source: Federal Deposit Insurance Corporation.

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APPENDIX B

FORM OF LEGAL OPINION OF BOND COUNSEL

_____, 2016

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

Re: Festival Ranch Community Facilities District
(City of Buckeye, Arizona) General Obligation Bonds, Series 2016

Honorable Board:

At your request we have examined the official proceedings leading to the issuance of $5,575,000* aggregate principal amount of Festival Ranch Community Facilities District (City of Buckeye, Arizona) General Obligation Bonds, Series 2016, dated _____, 2016, issued by the Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "*District*").

We have examined the law and such documents and matters as we have deemed necessary to render this opinion including, without limitation, Resolution No. __-16, passed and adopted by the District Board on May 17, 2016 (the "*Resolution*"). As to questions of fact material to our opinion we have relied upon, and assumed due and continuing compliance with the provisions of, the proceedings and other documents, and have relied upon certifications, covenants and representations furnished to us without undertaking to verify the same by independent investigation, including, without limitation, those with respect to causing interest on the bonds to be and remain excluded from gross income for federal income tax purposes.

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

1. The District is duly created and validly existing as a community facilities district and political subdivision of the State of Arizona with power to pass and adopt the Resolution, perform the agreements on its part contained therein and issue the Bonds.

2. The Resolution has been duly passed and adopted by the District Board.

3. The Bonds and the proceedings leading to and including the issuance thereof are legal and constitute a valid and binding general obligation of the District.

4. All taxable property within the District is subject to the levy of a direct, annual, ad valorem tax to pay the principal of and interest on the Bonds without limit as to rate or amount. It is required by law that there

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* *Subject to change.*

be levied, assessed and collected, at the same time and in the same manner as other taxes, an annual tax upon all taxable property in the District sufficient, together with any money from other sources lawfully available therefor, to pay the principal of and interest on the Bonds when due.

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 on the Bonds is not an item of tax preference to be included in computing the alternative minimum tax of individuals or corporations; such interest income must, however, be taken into account for federal income tax purposes as an adjustment to alternative minimum taxable income for certain corporations which income is subject to the federal alternative minimum tax. The Bonds are not private activity bonds within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "*Code*"). We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

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

The rights of the owners of the Bonds and the enforceability of those rights and the rights and obligations of the District with respect to the Resolution and to collection of taxes 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.

APPENDIX C

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds 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 Bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or held by the Registrar and Paying Agent for DTC.

DTC, the world's largest securities 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 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 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 is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Securities Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. 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" and together with the Direct Participants, the "Participants"). DTC has Standard & Poor's rating of: "AA+." 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.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("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 Bonds 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 the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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.

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 the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the

Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds 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 Bond Registrar and Paying Agent and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal of and interest on the Bonds and the redemption price of any Bond 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 the District or the Bond Registrar and Paying 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, the Bond Registrar and Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of and interest on the Bonds and the redemption price of any Bonds will be made to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or Bond Registrar and Paying 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.

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

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

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

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

$5,575,000*
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2016

(CUSIP BASE NUMBER 315598)

This Undertaking is executed and delivered by Festival Ranch Community Facilities District (hereinafter referred to as the "Issuer"), in connection with the issuance of the captioned municipal securities (hereinafter referred to as the "Securities") for the benefit of the owners of the Securities, being the registered owners thereof or any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any of the Securities (including persons holding the Securities through nominees, depositories or other intermediaries) or is treated as the owner of any Securities for federal income tax purposes.

Section 1. Definitions.

"Annual Report" shall mean any annual report provided by the Issuer pursuant to, and as described in, Section 2.

"Authorizing Document" shall mean the resolution authorizing the issuance of the Securities.

"Dissemination Agent" shall mean any agent which has executed a dissemination agent agreement with the Issuer and such successors and assigns of such agent.

"EMMA" shall mean the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board. Information regarding submissions to EMMA is available at http://emma.msrb.org.

"Listed Events" shall mean any of the events listed in Section 3(a).

"Notice of Listed Event" shall mean any notice provided by the Issuer pursuant to, and as described in, Section 3.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Contents and Provision of Annual Reports.

(a) (i) ***THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, NOT LATER THAN FEBRUARY 1 OF EACH YEAR, COMMENCING FEBRUARY 1, 2017, PROVIDE THROUGH EMMA AN ANNUAL REPORT WHICH IS CONSISTENT WITH THE REQUIREMENTS OF SUBSECTION (b) OF THIS SECTION.***

(ii) ***IF THE ISSUER IS UNABLE OR FOR ANY OTHER REASON FAILS TO PROVIDE AN ANNUAL REPORT OR ANY PART THEREOF BY THE DATE REQUIRED IN SUBSECTION (a)(i) OF THIS SECTION, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, SEND A NOTICE TO THAT EFFECT NOT LATER THAN SUCH DATE THROUGH EMMA ALONG WITH THE OTHER PARTS, IF ANY, OF THE ANNUAL REPORT.***

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* *Subject to change.*

(b) (i) The Annual Reports shall contain or incorporate by reference the following:

(A) Information of the type in TABLES 2, 3A, 4A, and 6 of the Official Statement, dated _____, 2016, with respect to the Securities as well as with respect to tax collections and delinquencies in the preceding tax year of the Issuer.

(B) Audited financial statements for the preceding fiscal year, if any, such statements to be prepared on the basis of generally accepted accounting principles as applied to governmental units. (The Issuer does not currently obtain audited financial statements.) ***IF THE FISCAL YEAR OF THE ISSUER CHANGES, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, FILE A NOTICE OF SUCH CHANGE IN THE SAME MANNER AS FOR A NOTICE OF LISTED EVENT.***

(ii) The Annual Report may be submitted as a single document or as separate documents comprising a package and may incorporate by reference from other documents other information, including final official statements of debt issues of the Issuer or related public entities which have been submitted to the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so incorporated by reference.

(iii) ***If audited financial statements are to be included in an Annual Report but are not available in time to satisfy the requirements of Subsection (a)(i) of this Section, unaudited financial statements must be provided at the requisite time as part of the Annual Report and as soon as possible (but not later than 30 days) after such audited financial statements become available, the audited financial statements shall be provided through EMMA.***

Section 3. Reporting of Listed Events.

(a) This Section shall govern the giving of notices of the occurrence of any of the following events (the "Listed Events") with respect to the Securities:

1. Principal and interest payment delinquencies,

2. Nonpayment related defaults under the Authorizing Document, if material,

3. Unscheduled draws on debt service reserves reflecting financial difficulties,

4. Unscheduled draws on credit enhancements reflecting financial difficulties,

5. Substitution of the credit or liquidity providers or their failure to perform,

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations, in each case, with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities,

7. Modifications to rights of holders of the Securities, if material,

8. Bond calls, if material, or tender offers,

9. Defeasances,

10. Release, substitution or sale of property securing repayment of the Securities, if material,

11. Rating changes,

12. Bankruptcy, insolvency, receivership or similar events of the Issuer, being if any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer,

13. The consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material,

14. Appointment of a successor trustee or an additional trustee or the change of the name of the trustee, if material, and

15. Notice of a failure of the Issuer to provide required annual financial information on or before the date specified in Section 2 above, including any non-appropriation to cover applicable costs.

(b) Whether events subject to the standard "material" would be material shall be determined under applicable federal securities laws.

(c) Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Authorizing Document.

(d) ***THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, PROMPTLY, BUT NOT MORE THAN TEN (10) BUSINESS DAYS THEREAFTER, FILE A NOTICE OF LISTED EVENT OF SUCH OCCURRENCE THROUGH EMMA.***

Section 4. Termination of Reporting Obligation. The obligations of the Issuer pursuant to this Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Securities. ***THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, GIVE NOTICE OF SUCH TERMINATION THROUGH EMMA AS SOON AS PRACTICABLE, BUT NOT LATER THAN THE DATE AN ANNUAL REPORT WOULD OTHERWISE HAVE BEEN DUE.***

Section 5. Amendment or Waiver.

(a) Notwithstanding any other provision of this Undertaking, the Issuer may amend this Undertaking, and any provision of this Undertaking may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Issuer or type of business conducted; (ii) this Undertaking, as amended or affected by such waiver, would have complied with the requirements of the Rule at the time of the primary offering of the Securities, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (iii) such amendment or waiver does not materially impair the interests of the owners of the Securities, as determined either by parties (such as the bond counsel) unaffiliated with the Issuer or by an approving vote of the registered owners of the Securities pursuant to the terms of the Authorizing Document at the time of the amendments.

(b) The Annual Report containing amended operating data or financial information resulting from such amendment or waiver, if any, shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided. If an amendment or waiver is made specifying the accounting principles to be followed in preparing financial statements, the Annual

Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. To the extent reasonably feasible, such comparison also shall be quantitative. ***IF THE ACCOUNTING PRINCIPLES OF THE ISSUER CHANGE, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, FILE A NOTICE OF SUCH CHANGE IN THE SAME MANNER AS FOR A NOTICE OF LISTED EVENT.***

Section 6. Additional Information. Nothing in this Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Report or Notice of Listed Event, in addition to that which is required by this Undertaking. If the Issuer chooses to include any information in any Annual Report or Notice of Listed Event in addition to that which is specifically required by this Undertaking, the Issuer shall have no obligation under this Undertaking to update such information or include it in any future Annual Report or Notice of Listed Event.

Section 7. Default. In the event of a failure of the Issuer to comply with any provision of this Undertaking, any owner of a Security for the benefit of which this Undertaking is being provided may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Undertaking. A default under this Undertaking shall not be deemed an event of default for other purposes of the Authorizing Document, and the sole remedy under this Undertaking in the event of any failure of the Issuer to comply with this Undertaking shall be an action to compel performance.

Section 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist the Issuer in satisfying the obligations of the Issuer hereunder and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 9. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Undertaking and the applicable, related agency agreement, and, to the extent permitted by applicable law, the Issuer shall indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless for, from and against any loss, expense and liabilities which the Dissemination Agent may incur arising out of or in the exercise or performance of the powers and duties of the Dissemination Agent pursuant to this Undertaking and the applicable, related agency agreement, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the gross negligence or willful misconduct of the Dissemination Agent. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Securities.

Dated: [Closing Date]

FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT

By.....
Jackie A. Meck, Chairperson, District Board

APPENDIX E

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $_____ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _____

Risk Premium: $_____
Member Surplus Contribution: $_____
Total Insurance Payment: $_____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

SPECIMEN

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____

Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
1 World Financial Center, 27th floor
200 Liberty Street
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)

SPECIMEN

$5,555,000*
FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT
(CITY OF BUCKEYE, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2016

CERTIFICATE DEEMING THE PRELIMINARY OFFICIAL STATEMENT FINAL

I, the undersigned District Treasurer of Festival Ranch Community Facilities District (the "Issuer"), hereby certify that the Issuer has caused the Preliminary Official Statement (the "Preliminary Official Statement") relating to the above-captioned bonds to be prepared and hereby deems the Preliminary Official Statement to be "final" as of its date for all purposes of Section 240.15c2-12, General Rules and Regulations, Securities Exchange Act of 1934, as amended (the "Rule"), except for any information which is permitted to be omitted therefrom in accordance with the Rule.

DATED: 6/7/2016

FESTIVAL RANCH COMMUNITY FACILITIES DISTRICT

By: _____
Its: District Treasurer

* Subject to change.

331731597.1

GUST ROSENFELD
ATTORNEYS SINCE 1921 P.L.C.

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

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

July 13, 2016

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

Re: Festival Ranch Community Facilities District
(City of Buckeye, Arizona) General Obligation Bonds,
Series 2016 (Bank Qualified)

Honorable Board:

At your request we have examined the official proceedings leading to the issuance of $5,410,000 aggregate principal amount of Festival Ranch Community Facilities District (City of Buckeye, Arizona) General Obligation Bonds, Series 2016 (the "*Bonds*"), dated July 13, 2016, issued by the Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "*District*").

We have examined the law and such documents and matters as we have deemed necessary to render this opinion including, without limitation, Resolution No. 04-16, passed and adopted by the Board of Directors of the District on May 17, 2016 (the "*Resolution*"). As to questions of fact material to our opinion we have relied upon, and assumed due and continuing compliance with the provisions of, the proceedings and other documents, and have relied upon certifications, covenants and representations furnished to us without undertaking to verify the same by independent investigation, including, without limitation, those with respect to causing interest on the Bonds to be and remain excluded from gross income for federal income tax purposes.

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

1. The District is duly created and validly existing as a community facilities district and political subdivision of the State of Arizona with power to pass and adopt the Resolution, perform the agreements on its part contained therein and issue the Bonds.

2. The Resolution has been duly passed and adopted by the Board of Directors of the District.

3. The Bonds and the proceedings leading to and including the issuance thereof are legal and constitute a valid and binding general obligation of the District.

4. All taxable property within the District is subject to the levy of a direct annual, ad valorem tax to pay the principal of and interest on the Bonds without limit as to rate or amount. It is required by law that there be levied, assessed and collected, at the same time and in the same manner as other taxes, an annual tax upon all taxable property in the District sufficient, together with any money from other sources lawfully available therefor, to pay the principal of and interest on the Bonds when due.

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 on the Bonds is not an item of tax preference to be included in computing the alternative minimum tax of individuals or corporations; such interest income must, however, be taken into account for federal income tax purposes as an adjustment to alternative minimum taxable income for certain corporations which income is subject to the federal alternative minimum tax. The Bonds are not private activity bonds within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "*Code*"). We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

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

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

GUST ROSENFELD P.L.C.

By James T. Giel

James T. Giel
Bond Counsel

2600259

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July 13, 2016

Stifel, Nicolaus & Company, Incorporated
Phoenix, AZ

Build America Mutual Assurance Company
New York, NY

Re: $5,410,000 Festival Ranch Community Facilities District
(City of Buckeye, Arizona)
General Obligation Bonds, Series 2016 (Bank Qualified)

We have acted as Bond Counsel to Festival Ranch Community Facilities District (hereinafter referred to as the "Issuer"), in connection with the issuance this date by the Issuer of bonds designated its General Obligation Bonds, Series 2016 in the aggregate principal amount of $5,410,000 (hereinafter referred to as the "Bonds") and otherwise as counsel to the Issuer. The Bonds are issued under the resolution adopted by the Board of Directors of the Issuer on May 17, 2016 (hereinafter referred to as the "Resolution"), are the subject of an Official Statement, dated June 23, 2016 (hereinafter referred to as the "Official Statement"), and are being sold pursuant to a Purchase Contract, dated June 23, 2016 (hereinafter referred to as the "Purchase Contract"), by and between the Issuer and Stifel, Nicolaus & Company, Incorporated (hereinafter referred to as the "Underwriter"), a Bond Registrar, Transfer Agent and Paying Agent Contract, dated as of July 1, 2016, by and between the Issuer and Zions Bank, a division of ZB, National Association, as registrar (the "Bond Registrar Contract"), in each case in accordance with the Resolution, a Continuing Disclosure Undertaking, dated of even date hereof (hereinafter referred to as the "Undertaking"), from the Issuer, the Supplemental Agreement, dated as of July 1, 2016 (the "Insurance Agreement"), by and between the Issuer and Build America Mutual Assurance Company, and a Dissemination Agency Agreement, dated as of July 1, 2016 (hereinafter referred to as the "Dissemination Agency Agreement" and collectively with the Bond Registrar Contract, the Undertaking, the Insurance Agreement and the Purchase Contract, as the "District Documents"), by and between the Issuer and David Taussig & Associates, Inc. (You may rely on our opinion as Bond Counsel, dated of even date herewith, with regard to the Bonds as if addressed to you.)

In our capacity as Bond Counsel, and as counsel as described hereinabove to the Issuer, we have examined and relied upon:

(i) A certified copy of the Resolution (which authorized, among other matters, execution and delivery of the Purchase Contract);

(ii) An executed copy of the Bond Registrar Contract;

(iii) An executed copy of the Official Statement;

(iv) An executed copy of the Purchase Contract;

(v) An executed copy of the Undertaking;

(vi) An executed copy of the Dissemination Agency Agreement;

(vii) An executed copy of the Insurance Agreement;

(viii) Such other agreements, certificates (including particularly, but not by way of limitation, certificates of Pulte Home Corporation (hereinafter referred to as "Pulte"), dated of even date herewith), opinions, letters and other documents, including all documents delivered or distributed at the closing of the sale of the Bonds, as we have deemed necessary or appropriate in rendering the opinions set forth herein and

(ix) Such provisions of the Constitution and laws of the State of Arizona and the United States of America as we believe necessary to enable us to render the opinions set forth herein.

In our examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified or photostatic copies, the authenticity of the originals of such latter documents and the accuracy of the statements contained in such certificates. In connection with our representation of the Issuer in the capacities described above, we have also participated in conferences from time to time with representatives of and counsel to the Issuer, the Underwriter and Pulte relating to the District Documents.

We are of the opinion, based upon the foregoing and subject to the reliance hereinabove indicated and the qualifications hereinafter set forth, that under applicable law of the State of Arizona and federal law of the United States of America in force and effect on the date hereof:

1. The Issuer is duly organized and validly existing as a community facilities district for purposes set forth in Section 48-708(B), Arizona Revised Statutes, as amended, pursuant to the Constitution and laws of the State of Arizona and has all requisite power and authority thereunder (a) to adopt the Resolution, (b) to authorize, execute, deliver and issue, as applicable, the District Documents and the Bonds, (c) to approve, execute and authorize the use and distribution of the Official Statement (including, as applicable, the Preliminary Official Statement, dated June 10, 2016 (hereinafter referred to as the

"Preliminary Official Statement"), with respect to the Bonds) and (d) to carry out and consummate the transactions contemplated by the Official Statement, the Resolution, the District Documents and the Bonds (including performing the applicable obligations thereunder).

2. Adoption of the Resolution; authorization, execution, delivery and issuance, as applicable, of, and the due performance of the obligations of the Issuer under the District Documents and the Bonds and the approval, execution and authorization of the use and distribution of the Official Statement (including, as applicable, the Preliminary Official Statement) by the Issuer under the circumstances contemplated thereby do not and will not in any material respect conflict with or constitute on the part of the Issuer a breach of or default under any agreement or other instrument to which the Issuer is a party or of any existing law, ordinance, administration regulation, court order or consent decree to which the Issuer is subject.

3. No consent of any other party, and no consent, license, approval or authorization of, exemption by or registration with any governmental body, authority, bureau or agency (other than those that have been obtained or will be obtained prior to the delivery of the Bonds), is required in connection with the adoption by the Issuer of the Resolution or the authorization, execution, delivery, issuance and performance, as applicable, by the Issuer of the District Documents and the Bonds and the consummation of the transactions contemplated by the Official Statement.

4. The Issuer has duly (a) adopted the Resolution and (b) authorized (i) the authorization, execution, delivery and issuance, as applicable of, and the performance of its obligations under, the District Documents and the Bonds and (ii) the taking of the actions required on the part of the Issuer to carry out, give effect to and consummate the transactions contemplated by the Official Statement, the Resolution, the District Documents and the Bonds. The Issuer has complied with all applicable provisions of law and has taken all actions required to be taken by it to the date hereof in connection with the transactions contemplated by the aforesaid documents.

5. The District Documents have been duly authorized, executed and delivered by the Issuer and, assuming due and valid authorization, execution and delivery by the other party thereto, constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their terms.

6. Based solely upon a search of the records of the Superior Court in and for the State of Arizona, County of Maricopa and the United States District Court for the District of Arizona through June 21, 2016, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or overtly threatened against or affecting the Issuer, and there is no basis therefor, (i) which in any way questions the powers of the Issuer referred hereinabove or the validity of the proceedings taken by the Issuer in connection with the issuance and sale of the

Bonds, (ii) wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Official Statement, the Resolution, the District Documents or the Bonds or would in any way adversely affect the validity or enforceability of the Resolution, the District Documents or the Bonds (or of any other instrument required or contemplated for use in consummating the transactions contemplated thereby or by the Purchase Contract or by the Official Statement) or (iii) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement. Further, there are no lawsuits pending or threatened against the Issuer which question the right of the Issuer to levy, receive and pledge special assessments or taxes, nor lawsuits pending or overtly threatened against the Issuer which, if decided adversely to the Issuer, would, individually or in the aggregate, have a material adverse effect on the financial condition of the Issuer or impair the ability of the Issuer to comply with all the requirements set forth in the Official Statement, the Resolution, the District Documents or the Bonds.

7. The information contained in the Official Statement in the tax caption on the cover thereof, under the headings "THE DISTRICT," "THE BONDS," "SECURITY FOR AND SOURCES OF PAYMENT" (except the information included under the subheading "Ad Valorem Property Taxation in the District"), "OVERLAPPING, ADDITIONAL AND ADDITIONAL OVERLAPPING INDEBTEDNESS - Additional General Obligation Bonded Indebtedness of the District," "LITIGATION," "TAX EXEMPTION," "BOND PREMIUM," "QUALIFIED TAX-EXEMPT OBLIGATIONS," "CONTINUING DISCLOSURE" (except as it relates to compliance with prior undertakings) and "RELATIONSHIP AMONG PARTIES" (only as it relates to Bond Counsel) therein and in Appendix B - "FORM OF LEGAL OPINION OF BOND COUNSEL" and Appendix D - "FORM OF CONTINUING DISCLOSURE UNDERTAKING" insofar as such information purports to summarize certain provisions of federal or state law or of the Bonds, fairly summarizes the information which it purports to summarize.

8. It is not necessary in connection with the issuance and sale of the Bonds to the public to register the Bonds under the Securities Act of 1933, as amended, or to qualify the Resolution under the Trust Indenture Act of 1939, as amended.

9. The sale of the Bonds pursuant to the terms described in the Official Statement complies with the requirements of Section 48-719(C), Arizona Revised Statutes, as amended.

Our opinions expressed in paragraph 5 hereof are qualified to the extent that the enforceability of the District Documents is dependent upon the due authorization, execution and delivery of (and authority to perform lawfully) the District Documents by the other party thereto and to the extent that the enforceability of the District Documents may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights and the exercise of judicial discretion in accordance with general principles of equity, including possible refusal by a particular court to grant certain equitable remedies such as

specific performance with respect to the enforcement of any provision of such documents. We express no opinion as to the enforceability of any provisions of the District Documents (i) restricting access to legal or equitable remedies, (ii) purporting to establish evidentiary standards or waiving or otherwise affecting any rights to notice, demand or exhaustion of collateral, (iii) relating to self-help, subrogation, indemnification, delay or omission to enforce rights or remedies, severability or marshalling of assets or (iv) purporting to grant to the owners of the Bonds or to any party to the District Documents (other than the Issuer) any rights or remedies not specifically set forth therein.

This opinion is furnished by us as bond counsel. No attorney-client relationship has existed or exists between our firm and the addressee in connection with the Bonds or by virtue of this opinion. This opinion is solely for the addressee's benefit and, except as specifically stated herein, is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This opinion speaks only as of its date, and no republication is intended upon the sale, assignment, conveyance or transfer of the Bonds by the Underwriter.

GUST ROSENFELD P.L.C.

James T. Giel
For the Firm

2719095.2

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 ■

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July 13, 2016

Stifel, Nicolaus & Company, Incorporated
Phoenix, AZ

Build America Mutual Assurance Company
New York, NY

Re: $5,410,000 Festival Ranch Community Facilities District
(City of Buckeye, Arizona)
General Obligation Bonds, Series 2016 (Bank Qualified)

Ladies and Gentlemen:

In connection with the issuance by Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "*District*") of its $5,410,000 aggregate principal amount of General Obligation Bonds, Series 2016 (the "*Bonds*") and in order to assist the underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), as amended (the "*Rule*"), the District has executed a separate Continuing Disclosure Undertaking (the "*Undertaking*"). This opinion is rendered as bond counsel to the District to further assist the underwriter in complying with the Rule.

The law of Arizona provides that the District has express powers as set forth in the Arizona Constitution and Arizona statutes and certain implied powers. In determining the scope of a District's implied powers Arizona has adopted "Dillon's Rule". This rule provides the following:

> A municipal corporation possesses and can exercise the following powers and no others: (1) Those granted in express words; (2) Those necessarily or fairly implied in or incident to the powers expressly granted; and (3) Those essential to the declared objects and purposes of the corporation -- not simply convenient, but indispensable.

Courts have generally strictly construed the application of Dillon's Rule with respect to the existence of implied powers. While the general rules enunciated by Dillon's Rule as

to implied powers are settled beyond question, their application is often difficult, since no uniform rule has been or can be laid down as to what is or is not incidental nor any test to determine whether a particular act is necessary to the exercise of the express powers. McQuillin, Mun. Corp., § 10.12 3rd Ed.

The District has the express power, pursuant to A.R.S. § 35-451 et seq., to issue and sell the Bonds. The District possesses no express power to enter into the covenants contained in the Undertaking. Therefore, in order for the District to have the power to execute and be bound by the provisions of the Undertaking it must be determined that such power is implied in or incidental to the express power of the District to issue and sell the Bonds. In order to sell the Bonds in the most efficient and practical manner, the underwriters purchasing the Bonds must be able to reasonably determine that the District has undertaken to comply with the Rule pursuant to the Undertaking. The failure of the District to be able to make such an undertaking would severely impact the District's ability to sell the Bonds.

Based upon our review of the law, and while no court or other governmental agency has yet ruled on this issue and there are no published decisions on this point in Arizona or any other state, it is our opinion that the District has the implied power to execute and be bound by the provisions of the Undertaking and that the Undertaking constitutes a valid and binding obligation of the District enforceable against the District in accordance with its terms. Based on the foregoing, the Undertaking has been validly authorized, executed and delivered by the District. It should also be noted that the undertaking provided for in the Undertaking is subject to annual appropriation to cover the costs of preparation and mailing of the annual reports and notices of material events in order to be binding in future fiscal years.

GUST ROSENFELD P.L.C.

James T. Giel
For the Firm

2719093.1

GT GreenbergTraurig

July 13, 2016

Stifel, Nicolaus & Company, Incorporated
Suite 750
2325 East Camelback Road
Phoenix, Arizona 85016

Re: Festival Ranch Community Facilities District (City of Buckeye, Arizona) General Obligation Bonds, Series 2016

This opinion is rendered pursuant to the Purchase Contract, dated June 23, 2016, between you and Festival Ranch Community Facilities District (City of Buckeye, Arizona) (the "District"). We have acted as counsel for you in connection with the purchase by you of the captioned Bonds (the "Bonds"). As your counsel, we have examined the Preliminary Official Statement, dated June 10, 2016 (the "Preliminary Official Statement"), relating to the Bonds and the Official Statement, dated June 23, 2016 (the "Official Statement"), relating to the Bonds, the Resolution adopted by the District Board of the District on May 17, 2016 (the "Bond Resolution"), the Continuing Disclosure Undertaking, dated the date hereof (the "Continuing Disclosure Undertaking"), the Securities Act of 1933, as amended (the "1933 Act"), the Trust Indenture Act of 1939, as amended (the "1939 Act"), the rules, regulations and interpretations under the 1933 Act and the 1939 Act, and Rule 15c2-12 (the "Rule") prescribed under the Securities Exchange Act of 1934, as amended (the "Act"). In addition, we have examined originals (or copies certified or otherwise identified to our satisfaction) of such other instruments, certificates and documents as we have deemed necessary or appropriate for the purposes of the opinions rendered below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and other documents.

In accordance with our understanding with you, we rendered legal advice and assistance to you in connection with your participation in the preparation of the Preliminary

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HOUSTON
LAS VEGAS
LONDON*
LOS ANGELES
MEXICO CITY+
MIAMI
MILAN»
NEW JERSEY
NEW YORK
NORTHERN VIRGINIA
ORANGE COUNTY
ORLANDO
PHILADELPHIA
PHOENIX
ROME»
SACRAMENTO
SAN FRANCISCO
SEOUL∞
SHANGHAI
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TALLAHASSEE
TAMPA
TEL AVIV^
TOKYO¤
WARSAW~
WASHINGTON, D.C.
WESTCHESTER COUNTY
WEST PALM BEACH

*OPERATES AS GREENBERG TRAURIG MAHER LLP
+OPERATES AS GREENBERG TRAURIG, S.C.
»STRATEGIC ALLIANCE
∞OPERATES AS GREENBERG TRAURIG LLP FOREIGN LEGAL CONSULTANT OFFICE
^A BRANCH OF GREENBERG TRAURIG, P.A., FLORIDA, USA
¤OPERATES AS GREENBERG TRAURIG HORITSU JIMUSHO
~OPERATES AS GREENBERG TRAURIG GRZESIAK SP.K

Official Statement and the Official Statement. Based upon our participation in the preparation of the Preliminary Official Statement and the Official Statement as counsel for you and the examination described hereinabove and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement and except as otherwise indicated herein, no information came to the attention of our attorneys assigned to this matter which leads us to believe that the Preliminary Official Statement as of its date and as of June 23, 2016, and the Official Statement as of its date and as of the date hereof, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. We express no views with respect to (i) the financial or statistical data included in the Preliminary Official Statement and the Official Statement, (ii) the information in Appendices C (or any other information about The Depository Trust Company, New York, New York, therein) or E (or any other information about Build America Mutual Assurance Company therein) to the Preliminary Official Statement and the Official Statement or (iii) the status of the Bonds for any purpose including particularly, but not by way of limitation, for federal or State income tax purposes.

We also have rendered legal advice and assistance to you as to the requirements of the Rule prescribed under the Act, in connection with your review, for purposes of the Rule, of the Continuing Disclosure Undertaking. Based upon our examination of the items referenced in this letter, including the Continuing Disclosure Undertaking and the Rule, and subject to the limitations expressed above, we are of the opinion that, under existing law, the Continuing Disclosure Undertaking satisfies paragraph (b)(5)(i) of the Rule, which requires an undertaking for the benefit of the holders, including beneficial owners, of the Bonds to provide certain annual financial information and event notices at the time and in the manner required by the Rule.

Based upon our examination of the items referenced in this letter, we are further of the opinion (i) that it is not necessary in connection with the sale of the Bonds to the public to register the Bonds under the 1933 Act or to qualify the Bond Resolution under the 1939 Act. For purposes of rendering such opinion, we have relied on the legal conclusions expressed by Gust Rosenfeld P.L.C., as Bond Counsel, as to the validity of the Bonds and the exclusion of interest on the Bonds from the gross income of their owners for federal income tax purposes.

We have not investigated independently the accuracy of any legal conclusions upon which we have relied that are expressed by other counsel; however, our attorneys assigned to this matter are not presently aware of any information that leads us to believe that it would be unreasonable to rely upon those legal conclusions.

References in this letter to "our attorneys assigned to this matter" refer only to those lawyers now with this firm who rendered legal services in connection with our representation of you in this matter.

Our engagement with respect to the matters addressed in this letter is concluded upon the delivery of this letter. The views expressed in this letter are as of, and are based upon the law in effect on, the date of this letter. Those views may be affected by actions taken or omitted or events occurring after the date of this letter, and we assume no obligation to revise or supplement this letter or to determine or to inform any person if such law changes or if any such actions are taken or omitted or any such events occur.

This letter is furnished solely for your benefit in connection with your purchase of the Bonds, and this letter may not, without our prior express consent, be used, circulated, quoted or otherwise referred to (except in lists or sets of closing documents), or be relied upon by any other person or for any other purpose.

Respectfully submitted,

Greenberg Traurig, LLP

BERENS, KOZUB,
KLOBERDANZ & BLONSTEIN, PLC
Attorneys at Law

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

Matthew R. Berens

July 13, 2016

VIA HAND and ELECTRONIC DELIVERY

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

VIA HAND DELIVERY

District No. 2 Board
Festival Ranch Community Facilities District
(Buckeye, Arizona)
City of Buckeye
530 East Monroe Avenue
Buckeye, AZ 85326

Re: Festival Ranch Community Facilities District (Buckeye, Arizona)
General Obligation Bonds, Series 2016

Ladies and Gentlemen:

WE HAVE ACTED as counsel to Pulte Home Corporation, a corporation incorporated and existing pursuant to the laws of the State of Michigan (hereinafter referred to as "Pulte"), particularly in connection with the transactions provided for by the documents referred to herein and in connection with the issuance and sale of the captioned Bonds, sold pursuant to a Purchase Contract, dated June 23, 2016 (hereinafter referred to as the "Purchase Contract"), by and between Stifel, Nicolaus & Company, Incorporated (hereinafter referred to as the "Underwriter"), and Festival Ranch Community Facilities District (hereinafter referred to as the "District"). Any capitalized term used and not defined herein shall have the meaning assigned to it in the Purchase Contract.

For purposes of this opinion, we have examined the following:

(1) The District Development, Financing Participation and Intergovernmental Agreement (Festival Ranch Community Facilities District), dated as of November 1, 2005, as amended (the "Development Agreement");

(2) The executed Pulte Indemnity Letter, dated the date of sale of the Bonds, by Pulte;

(3) The executed Purchase Contract;

(4) The Official Statement, dated June 10, 2016 (hereinafter referred to as the "Official Statement"), of the District;

(5) Articles of Incorporation of Pulte Home Corporation, a Michigan corporation, as amended;

(6) Bylaws of Pulte Home Corporation, a Michigan corporation, as amended;

(7) Certain Certified Resolutions of the Board of Directors of Pulte;

(8) Certificate of Good Standing of Pulte Home Corporation, a Michigan corporation, dated July 6, 2016, issued by the Corporation Division of the Michigan Department of Labor and Economic Growth;

(9) Certificate of Good Standing of Pulte Home Corporation, a Michigan corporation, dated July 6, 2016, issued by the Arizona Corporation Commission;

(10) Closing Certificate of Pulte executed by Bruce E. Robinson, Vice President and Treasurer of Pulte, executed as of July 13, 2016 (the "Closing Certificate"); and

(11) Such other documents and instruments as we have considered necessary or appropriate for the purposes of this opinion and received such other information from representatives of Pulte as we have deemed necessary for the purposes of this opinion (hereinafter referred to, collectively, as "due inquiry") including the Official Statement. (The documents listed in paragraphs (1) and (2) above are hereinafter referred to as the "Pulte Documents." The documents listed in paragraphs (5) through (11) above are hereinafter referred to as the "Organizational Documents").

In rendering the following opinions, we have assumed:

(a) The genuineness of all signatures to the Pulte Documents, and the legal capacity of each natural person executing the Pulte Documents;

(b) The authenticity and completeness of documents submitted as originals and the conformity to originals of documents submitted as copies;

(c) The due authorization, execution, acknowledgment where necessary, and delivery, and the validity and binding effect, of the Pulte Documents with regard to the parties to those agreements other than Pulte;

(d) The Pulte Documents accurately describe and contain the agreement and mutual understanding of the parties thereto and that there are no oral or written statements or agreements that modify, amend or vary, or purport to modify, amend or vary, any of the terms of the Pulte Documents;

(e) 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; and

(f) After due inquiry, the party's representations and warranties contained in the Pulte Documents are truthful and accurate and all reports and other documents prepared by third party consultants, relating to the transactions contemplated by the Pulte Documents or any of the property within the District No. 2 are truthful and accurate.

Based on the foregoing, and subject to the limitations, qualifications and assumptions set forth herein, it is our opinion that:

1. Pulte is a corporation duly incorporated and validly existing under the laws and Constitution of the State of Michigan.

2. Pulte is qualified to do business under the laws of the State of Arizona.

3. Pulte has the requisite power and authority under the laws of the State of Arizona as well as all consents, approvals, authorizations and other actions by, and filings with, all federal,

State and local governmental authorities required (i) to execute and deliver the Pulte Documents and carry out the terms and conditions applicable to it under, and consummate all transactions contemplated by, the Pulte Documents; (ii) to own and operate its properties and assets as described in the Official Statement and (iii) to carry out its business as such business is currently being conducted as described in the Official Statement.

4. The execution, delivery and performance of the Pulte Documents by Pulte and the carrying out, giving effect to and consummation of the transactions contemplated thereby have been duly authorized by all necessary corporate action on the part of Pulte, and the Pulte Documents has been duly executed and delivered by Pulte.

5. The Pulte Documents are in full force and effect as of the date hereof and constitute legal, valid and binding obligations of Pulte, enforceable in accordance with their terms.

6. The execution and delivery of the Pulte Documents by Pulte, and the performance of its obligations thereunder, do not and will not conflict with or result in a violation of, or a default pursuant to, the Organizational Documents.

7. To our actual knowledge, the execution and delivery of the Pulte Documents by Pulte will not conflict with or result in a violation of any contract, indenture, instrument or other agreement to which Pulte is a party or by which it or its properties are bound.

8. No consent, approval, authorization or other action by, or filing with, any federal, State or local governmental authority is required in connection with the execution and delivery by Pulte of the Pulte Documents which consent, approval, authorization or other action, etc. has not already been obtained.

9. We have no actual knowledge that Pulte is in violation of any provision of, or in default under, its Organizational Documents or any agreement or other instrument, violation of or default under which would materially and adversely affect the business, properties, assets, liabilities or conditions (financial or other) of Pulte.

10. We have no actual knowledge of any legal or governmental actions, proceedings, inquiries or investigations pending or overtly threatened by any governmental authorities or to which Pulte is a party or of which any property of Pulte is subject, except as described in the Official Statement.

11. To our actual knowledge, the information contained in the Official Statement under the headings "MAP SHOWING LOCATION OF DISTRICT IN CONTEXT OF

SURROUNDING AREA," "ANTHEM," "PULTE" and "RISK FACTORS" does not contain any untrue statement of material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which such statements were made, not misleading. In connection with our participation with the Official Statement, we have not undertaken to independently determine the accuracy, completeness or fairness of the statements contained therein, except as and to the extent provided in this paragraph, and the knowledge available to us is such that we are unable to assume, and do not assume, any responsibility for the accuracy, completeness or fairness of such information. However, on the basis of such participation, we have not acquired any knowledge that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which such statements are made, not misleading.

The opinions set forth above are subject to the following qualifications and limitations: (i) enforceability of the Pulte Documents may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium, arrangement or laws or court decisions affecting the enforcement of creditors' rights generally; (ii) enforceability of the Pulte Documents is subject to general principles of equity, whether remedies are sought in equity or at law; (iii) enforceability of the Pulte Documents are further subject to the qualification that certain waivers, procedures, remedies, indemnities and other provisions of the Pulte Documents may be unenforceable under or limited by Arizona law; however, such law does not, in our opinion, substantially prevent the practical realization of the benefits intended by the Pulte Documents; (iv) we are expressing no opinion as to the enforceability of any indemnity provision with respect to any claims or other matters that result from the negligence or misconduct of any indemnitee or the failure of any indemnitee to act in a commercially reasonable manner and (v) we are expressing no opinion as to the compliance of the Pulte Documents or the offer and sale of the Bonds with any securities law or regulation except as provided in paragraph 11 hereof.

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 Pulte 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. We express no opinion concerning the legal validity and sufficiency of the acts of any of the other parties to the Pulte Documents.

We are qualified to practice law in the State of Arizona, and we do not purport to express any opinion herein concerning any law other than the laws of the State of Arizona and, for the limited subject of the corporate authority and corporate existence of Pulte, the laws of the State

of Michigan. Our opinions are as to what the law is or might reasonably be expected to be at the date hereof, and we assume no obligation to revise or supplement this opinion due to any change in the law by legislative action, judicial decision or otherwise. Any opinion as to the enforceability of any document is limited to enforceability as between the original parties thereto.

This opinion is being furnished to you solely for your benefit and only with respect to the captioned Bonds. Accordingly, it may not be relied upon or quoted to any person or entity without, in each instance, our prior written consent.

Respectfully submitted,

BERENS, KOZUB, KLOBERDANZ & BLONSTEIN, PLC

Berens, Kozub, Kloberdanz & Blonstein, PLC

July 13, 2016

Festival Ranch Community Facilities District (City of Buckeye)
530 E. Monroe Avenue
Buckeye, AZ 85326

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

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

RE: Policy: 2016B0498
Member: Festival Ranch Community Facilities District
(City of Buckeye, Arizona)
Bonds: General Obligation Bonds, Series 2016

Date of the Official Statement: June 23, 2016

Ladies and Gentlemen:

I am Counsel of Build America Mutual Assurance Company, a New York mutual insurance company ("BAM"). You have requested my opinion in such capacity as to the matters set forth below in connection with the issuance by BAM of its above-referenced policy (the "Policy"). In that regard, and for purposes of this opinion, I have examined such corporate records, documents and proceedings as I have deemed necessary and appropriate.

Based upon the foregoing, I am of the opinion that:

1. BAM is a mutual insurance company duly organized and validly existing under the laws of the State of New York and authorized to transact financial guaranty insurance business therein.

2. The Policy has been duly authorized, executed and delivered by BAM.

3. The Policy constitutes the valid and binding obligation of BAM, enforceable in accordance with its terms, subject, as to the enforcement of remedies, to bankruptcy, insolvency, reorganization, rehabilitation, moratorium and other similar laws affecting the enforceability of creditors' rights generally applicable in the event of the bankruptcy or insolvency of BAM and to the application of general principles of equity.

4. The issuance of the Policy qualifies the Member as a member of BAM until the Bonds are no longer outstanding. As a member of BAM, the Member is entitled to certain rights and privileges as provided in BAM's charter and by-laws and as may otherwise be provided under New York law. The Policy is non-assessable and creates no contingent mutual liability.

In addition, please be advised that I have reviewed the description of the Policy under the caption "BOND INSURANCE" in the official statement related to the above-referenced Bonds (the "Official Statement"). There has not come to my attention any information which would cause me to believe that the description of the Policy, as of the date of the Official Statement or as of the date of this opinion, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Please be advised that except as described above, I express no opinion with respect to any information contained in, or omitted from, the Official Statement.

I am a member of the Bar of the State of New York, and do not express any opinion as to any law other than the laws of the State of New York.

This letter and the legal opinions herein are intended for the information solely of the addressees hereof and solely for the purposes of the transactions described in the Official Statement and are not to be relied upon by any other person or entity (including, without limitation, any person or entity that acquires bonds from an addressee of this letter.) I do not undertake to advise you of matters that may come to my attention subsequent to the date hereof that may affect the conclusions expressed herein.

Very truly yours,