

**SUNDANCE COMMUNITY FACILITIES DISTRICT  
(TOWN OF BUCKEYE, ARIZONA)**

**2011 PARTIAL DEFEASANCE  
OF  
GENERAL OBLIGATION BONDS, SERIES 2004  
and  
2011 PARTIAL DEFEASANCE  
OF  
GENERAL OBLIGATION BONDS, SERIES 2005**

Funded: February 24, 2011

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**INDEX OF DOCUMENTS**

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1. Resolution authorizing the defeasance of certain of the Sundance Community Facilities District's (Town of Buckeye, Arizona) (the "District") outstanding Bonds.
2. Depository Trust Agreement between the District and Wells Fargo Bank, N.A. (the "*Depository Trustee*").
3. Tax Certificate of the District.
4. Depository Trustee's Receipt and Certificate.
5. Verification Report of Grant Thornton LLP, Certified Public Accountants.
6. Disbursement Request.

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

Sundance Community Facilities District (3 CD's)  
Wells Fargo Bank, N.A. (CD)  
Wedbush Securities (CD)  
Gust Rosenfeld P.L.C. (CD)

**RESOLUTION NO. 01-11 (SUNDANCE)**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF SUNDANCE COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE, ARIZONA), AUTHORIZING AND PROVIDING FOR THE DISTRICT TREASURER TO TRANSFER DISTRICT DEBT SERVICE FUNDS TO AN IRREVOCABLE TRUST FUND TO BE USED TO DEFEASE AND REDEEM THE OUTSTANDING SUNDANCE COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE, ARIZONA) GENERAL OBLIGATION BONDS, SERIES 2004, AND A PORTION OF THE GENERAL OBLIGATION BONDS, SERIES 2005; AUTHORIZING THE EXECUTION OF A DEPOSITORY TRUST AGREEMENT FOR THE SAFEKEEPING AND HANDLING OF SECURITIES AND MONEYS TO BE USED TO PAY THE BONDS BEING DEFEASED; AND RATIFYING THE ACTIONS OF ALL OFFICERS AND AGENTS OF THE DISTRICT AND OTHERS WITH RESPECT TO THE TRANSFER, PREPAYMENT, DEFEASANCE AND REDEMPTION.**

**WHEREAS**, the Board of Directors (the "District Board") of the Sundance Community Facilities District (Town of Buckeye, Arizona) (the "District") has issued its General Obligation Bonds, Series 2004 in the original principal amount of \$5,000,000 (the "Series 2004 Bonds"); and

**WHEREAS**, the District has issued its General Obligation Bonds, Series 2005 in the original principal amount of \$6,000,000 (the "Series 2005 Bonds"); and

**WHEREAS**, the Series 2004 Bonds were executed and delivered by Wells Fargo Bank, N.A. (the "Trustee") as trustee under the Indenture of Trust and Security Agreement dated as of September 1, 2004 (the "2004 Indenture") by and between the District and the Trustee; and

**WHEREAS**, the Series 2005 Bonds were executed and delivered by Wells Fargo Bank, N.A. (the "Trustee") as trustee under the Indenture of Trust and Security Agreement dated as of October 1, 2005 (the "2005 Indenture") by and between the District and the Trustee; and

**WHEREAS**, such Series 2004 Bonds are secured by an annual levy of ad valorem taxes, unlimited as to rate or amount, levied and collected on all taxable property within the boundaries of the District pursuant to the terms of the 2004 Indenture; and

**WHEREAS**, such Series 2005 Bonds are secured by an annual levy of ad valorem taxes, unlimited as to rate or amount, levied and collected on all taxable property within the boundaries of the District pursuant to the terms of the 2005 Indenture; and

**WHEREAS**, the District Board of Directors find that the District will reduce its financial liability if excess amounts not required to pay current debt service are transferred from the District's debt service fund to a depository trust pursuant to the terms of the Depository Trust Agreement (as defined in Section 5 hereof), which is sufficient to pay at maturity or defease and redeem in advance of maturity or mandatory redemption date, all of the Series 2004 Bonds Being Defeased maturing on July 1 of the years 2012 through 2018 and 2029 the "Series 2004 Bonds Being Defeased"), and a portion of the Series 2005 Bonds maturing or subject to redemption on July 1, 2030 (collectively the "Series 2005 Bonds Being Defeased and together with the Series 2004 Bonds Being Defeased, the "Bonds Being Defeased").

**NOW, THEREFORE, BE IT RESOLVED by the District Board of the District that:**

**Section 1. Authorization.** The Board of Directors hereby authorize and direct the District Treasurer to transfer from the District's fund an aggregate amount not to exceed \$6,250,000 to one or more irrevocable trust funds held by the Trustee, an amount which is sufficient, together with any earnings thereon, to pay, in part or in full, the outstanding Series 2004 Bonds Being Defeased and Series 2005 Bonds Being Defeased and the costs and expenses of the transaction. Any amounts remaining after payment of all amounts due shall be paid back to the District.

**Section 2. Redemption of Series 2004 Bonds.** Pursuant to Section 4.02 of the 2004 Indenture, the District is hereby authorized and directed to cause the redemption of all of the outstanding Series 2004 Bonds Being Defeased and shall give written notice to thereof to the Trustee and direct the Trustee to take all actions necessary to cause such redemption.

**Section 3. Redemption of Certain Series 2005 Bonds.** Pursuant to Section 4.01 of the 2005 Indenture, the District is hereby authorized and directed to cause the redemption of a portion of the outstanding Series 2005 Bonds Being Defeased and shall give written notice to thereof to the Trustee and direct the Trustee to take all actions necessary to cause such redemption.

**Section 4. Application of Moneys.** The proceeds of the transfer of funds, after payment of the costs and expenses of the transaction, shall be applied by the Trustee to create one or more irrevocable trusts for the benefit of the owners of the Bonds Being Defeased. Amounts credited to the trust, other than any beginning cash balance, shall be invested immediately by the Trustee in noncallable, direct obligations issued by or unconditionally guaranteed by the United States of America (hereafter "Government Obligations") the maturing principal of and interest on which, together with any beginning cash balance, will be sufficient to pay the principal of and interest on the Bonds Being Defeased as the same become due or are called for redemption. The District Treasurer is hereby authorized to cause the selection and purchase of the Government Obligations.

**Section 5. Depository Trust Agreement.** The District Treasurer is hereby authorized and directed to execute a depository trust agreement ( the "Depository Trust Agreement") with the Trustee or a bank authorized to do trust business in the State of Arizona or any successors or assigns, with respect to the safekeeping and handling of the moneys and securities to be held in trust for the payment of the Bonds Being Defeased. The Depository Trust Agreement shall be in substantially the form on file with the District Clerk, with such additions, deletions and modifications as shall be approved by the officer executing and delivering the same on behalf of the District and such execution and delivery shall constitute conclusive evidence of the approval of such official of any departures from the form on file with the District Clerk.

If for any reason the Depository Trust Agreement is cancelled or declared void or illegal or is incapable of being performed due to any impediment of any nature whatsoever, or the Trustee is unable to perform its duties, the District shall appoint or engage a successor trustee or escrow agent to act in the place of the Trustee, if such successor be ready, willing and able to assume the role of trustee under such Depository Trust Agreement or an agreement similar in form and substance. During any period when no Trustee is in place, the District Treasurer shall act as the escrow agent.

**Section 6. Resolution a Contract.** This resolution shall constitute a contract between the District and the Trustee for and the owners of the Bonds Being Defeased and shall not be repealed or amended in any manner which would impair, impede or lessen the rights of the owners of the Bonds Being Defeased then outstanding.

**Section 7. Federal Tax Law Covenants.** As authorized by Arizona Revised Statutes, Title 35, Chapter 3, Article 7, and in consideration of retaining the exclusion of interest income on the Bonds Being Defeased from gross income for federal income tax purposes, the District covenants with the owners from time to time of the Bonds Being Defeased 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 income on the Bonds Being Defeased becoming subject to inclusion as gross income for federal income tax purposes under either laws existing on the date of issuance of the Bonds Being Defeased or such laws as they may be modified or amended.

The District agrees that it will comply with such requirement(s) and will take any such action(s) as in the opinion of Gust Rosenfeld P.L.C. ("bond counsel") are necessary to prevent interest income on the Bonds Being Defeased 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 investment income relating to the Bonds Being Defeased; 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 Being Defeased; and limiting the use of the proceeds of the transfer of funds.

**Section 8. Severability.** If any section, paragraph, subdivision, sentence, clause or phrase of this resolution is for any reason held to be illegal or unenforceable, such decision will not affect the validity of the remaining portions of this resolution. The Board of Directors hereby declare that this resolution would have been enacted and each and every other section, paragraph, subdivision, sentence, clause or phrase hereof and authorized the transfer of funds and defeasance and redemption of the Bonds Being Defeased pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this resolution may be held illegal, invalid or unenforceable.

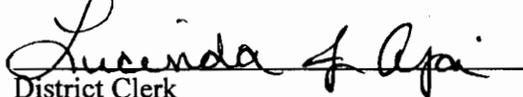
**Section 9. Ratification of Actions.** All actions of the officials and agents of the District, and the Trustee, which are in conformity with the purposes and intent of this resolution and in furtherance of the transfer, prepayment, defeasance and redemption of the Bonds Being Defeased as contemplated by this resolution, shall be and are hereby ratified, confirmed and approved. The proper officials and agents of the District, and the Trustee are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents as may be necessary to carry out the terms and intent of this resolution.

**PASSED AND ADOPTED** by the District Board of the Sundance Community Facilities District (Town of Buckeye, Arizona), on February 1, 2011.

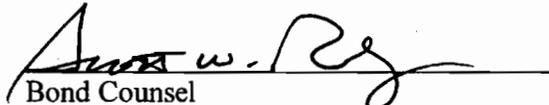
**SUNDANCE COMMUNITY FACILITIES  
DISTRICT (TOWN OF BUCKEYE, ARIZONA)**

  
\_\_\_\_\_  
Chairman, District Board

ATTEST:

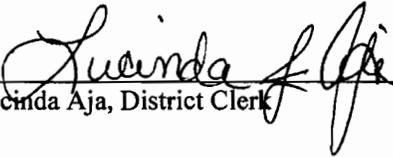
  
District Clerk

APPROVED AS TO FORM:

  
Bond Counsel

## CERTIFICATION

I, Lucinda Aja, the duly appointed and acting District Clerk of the Sundance Community Facilities District (Town of Buckeye, Arizona) do hereby certify that the above and foregoing Resolution No. 01-11 was duly passed and adopted by the Board of Directors of the Sundance Community Facilities District (Town of Buckeye, Arizona), at a meeting held on the 1st day of February, 2011, and the vote was \_\_\_ aye's and \_\_\_ nay's and that the Chair and 7 Board members were present thereat.

  
\_\_\_\_\_  
Lucinda Aja, District Clerk

**DEPOSITORY TRUST AGREEMENT**

This Depository Trust Agreement (the "Agreement"), dated as of February 1, 2011 (the "*Trust Agreement*"), by and between the **SUNDANCE COMMUNITY FACILITIES DISTRICT (TOWN OF BUCKEYE, ARIZONA)** (the "*District*"), and **WELLS FARGO BANK, N.A.**, a national banking association authorized to do trust business in the State of Arizona, as trustee (the "*Trustee*"),

**WITNESSETH:**

**WHEREAS**, the following General Obligation Bonds, Series 2004 of the District have been issued and are currently outstanding:

Issue (Dated) Date	Name of Issue and Registrar and Paying Agent	Original Principal Amount	Sinking Fund Redemption or Maturity Being Defeased or Paid at Maturity	Principal Amount Being Defeased	Maturity or Redemption Date (July 15)	Redemption Premium on Bonds Being Defeased (% of principal)
9/23/04	General Obligation Bonds, Series 2004 (Wells Fargo Bank, N.A.) (the "Series 2004 Bonds Being Defeased")	\$145,000	2012	\$145,000	2012	N/A
		150,000	2013	150,000	2013	N/A
		155,000	2014	155,000	2014	N/A
		165,000	2015	165,000	2014	N/A
		175,000	2016	175,000	2014	N/A
		185,000	2017	185,000	2014	N/A
		195,000	2018	195,000	2014	N/A
		205,000	2019*	205,000	2014	N/A
		215,000	2020*	215,000	2014	N/A
		230,000	2021*	230,000	2014	N/A
		245,000	2022*	245,000	2014	N/A
		260,000	2023*	260,000	2014	N/A
		275,000	2024*	275,000	2014	N/A
		295,000	2025*	295,000	2014	N/A
		310,000	2026*	310,000	2014	N/A
		330,000	2027*	330,000	2014	N/A
355,000	2028*	355,000	2014	N/A		
375,000	2029*	375,000	2014	N/A		

\*mandatory redemption date of Term Bond maturing July 15, 2029.

**WHEREAS**, the following General Obligation Bonds, Series 2005 of the District have been issued and are currently outstanding:

Issue (Dated) Date	Name of Issue and Registrar and Paying Agent	Original Principal Amount	Sinking Fund Redemption or Maturity Being Defeased or Paid at Maturity	Principal Amount Being Defeased	Maturity or Redemption Date (July 15)	Redemption Premium on Bonds Being Defeased (% of principal)
10/20/05	General Obligation Bonds, Series 2005 (Wells Fargo Bank, N.A.) (the "Series 2005 Bonds Being Defeased")	\$365,000	2029*	\$130,000**	2015	N/A
		780,000	2030*	780,000	2015	N/A

\*mandatory redemption date of Term Bond maturing July 15, 2030.

\*\* partial redemption of July 15, 2029 maturity

(collectively the Series 2004 Bonds Being Defeased and the Series 2005 Bonds Being Defeased listed above are referred to as the "*Bonds Being Defeased*"); and

**WHEREAS**, the Trustee is the trustee for the Bonds Being Defeased; and

**WHEREAS**, it is proposed that certain of the Bonds Being Defeased be paid at maturity or called for redemption prior to maturity as hereinafter set forth; and

**WHEREAS**, the District will deposit the transferred funds with the Trustee and the Trustee will be instructed herein to purchase certain obligations of the United States of America which, together with the initial cash deposit, will be used to pay, when due, the principal, interest and redemption premium, if any, on the Bonds Being Defeased; and

**WHEREAS**, the District authorizes and directs the execution of an irrevocable trust agreement with the Trustee for the safekeeping and handling of the moneys and securities to be held in trust for the payment of the Bonds Being Defeased; and

**WHEREAS**, the Trustee agrees to accept and administer the trust created hereby;

**NOW, THEREFORE**, in consideration of the mutual covenants, conditions and agreements hereinafter set forth it is hereby agreed as follows:

**Section 1.**     Deposit With Trustee. The District will cause to be deposited with the Trustee for the account of the District the transferred funds in the amount of \$6,049,736.28. Such transferred funds shall be applied to defease the Bonds Being Defeased.

**Section 2.**     Trust Account. The Trustee shall hold the moneys so deposited, all investments made with such moneys and all earnings from investment and reinvestment of such moneys and all other moneys received by the Trustee from the District hereunder as a special fund and separate trust account separate from all other funds and investments deposited with the Trustee (the "*Trust Account*"). The Trust Account shall be segregated into two subaccounts, one for the Series 2004 Bonds Being Defeased and one for the Series 2005 Bonds Being Defeased. All money, all investments with such moneys and all earnings from investment of such moneys in each subaccount shall be segregated from the other subaccount and shall be accounted for separately. Notwithstanding the foregoing, the Trust Account shall not include any amounts held to pay the costs and expenses incurred with respect to this transaction.

**Section 3.**     Government Obligations. Except for the initial cash balance and the amounts held to pay the costs and expenses of this transaction, the moneys deposited shall be immediately invested in direct noncallable obligations issued by the United States of America or which are unconditionally guaranteed by the United States of America ("*Government Obligations*") as follows:

(a) Series 2004 Bonds Being Defeased Subaccount: \$4,953,864.00 of the amount deposited with the Trustee shall be applied to create a portfolio of Government Obligations as described in Exhibit A-1 hereto.

The sum of \$0.30 shall be held in trust by the Trustee as an initial cash balance as

described in Exhibit A-1 hereto.

(b) Series 2005 Bonds Being Defeased Subaccount: \$1,045,871.00 of the amount deposited with the Trustee shall be applied to create a portfolio of Government Obligations as described in Exhibit A-2 hereto.

The sum of \$0.98 shall be held in trust by the Trustee as an initial cash balance as described in Exhibit A-2 hereto.

\$50,000.00 will be held by the Trustee and used to pay costs and expenses incurred with respect to this transaction pursuant to Section 11 hereof, and shall not be a portion of the Trust Account.

The investment income from the Government Obligations of each subaccount shall be collected and received by the Trustee and credited only to the applicable subaccount of the Trust Account. The Trustee shall keep adequate records of such moneys, Government Obligations and investment earnings so as to permit the portfolio of each subaccount to be accounted for separately.

**Section 4.** Code Provisions. The parties recognize that amounts credited to each subaccount of the Trust Account in the respective portfolios set forth in Exhibits A-1 and A-2 and the initial cash balance are each, at the time of execution and delivery of this Agreement, subject to restrictions as to investment under the Internal Revenue Code of 1986, as amended (the "*Code*"), in order for the interest income on each series of the Bonds Being Defeased to be excludable from gross income for purposes of federal income taxes. In order to comply with such currently applicable restrictions, and subject to the provisions of Section 5 hereof, the following provisions shall apply with respect to reinvestment of amounts credited to the Trust Account:

(a) Amounts received as maturing principal of or interest on the Government Obligations set forth in Exhibits A-1 and A-2 prior to the date such amounts are to be used to pay principal of or interest on the Bonds Being Defeased are not to be reinvested.

(b) Yields for each subaccount are to be calculated by means of an actuarial method of yield calculation whereby "yield" means that yield that when used in computing the present value of all payments of principal and interest to be paid on the obligation produces an amount equal to the present value using the same discount rate of the aggregate issue price of the transferred funds as of the transfer date. The yield on investments must be computed by the use of semiannual interest compounding.

(c) The purchase price of an obligation used in determining its yield must be the market price of the obligation on an established market. This means that a premium may not be paid to adjust the yield and that a lower interest rate than is usually paid may not be accepted. At the time of execution and delivery of this Agreement, if an obligation cannot be purchased on an established market or a bona fide bid price cannot be established at a yield that does not exceed the yield restriction applicable to the moneys to be invested, investments are limited to United States Treasury Certificates of Indebtedness, Notes and Bonds — State and Local Government Series which yield no more than the restricted yield.

(d) Notwithstanding the foregoing, any amounts held in any subaccount of the Trust Account may be invested in investments having any yield if the parties hereto receive an opinion in form and substance satisfactory to them of bond counsel experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds to the effect that such investment will not cause any of the applicable series of Bonds Being Defeased to become arbitrage bonds within the meaning of Section 148 of the Code, and will not otherwise cause the interest on the applicable series of Bonds Being Defeased to become included as gross income for purposes of calculating federal income taxes.

(e) Amounts received from reinvestment of maturing principal of and interest on Government Obligations in any subaccount prior to the date such amounts are to be used to make payments on the applicable series of the Bonds Being Defeased pursuant to this Section 4 to the extent not needed to provide for payments on the applicable series of the Bonds Being Defeased may be withdrawn from the applicable subaccount of the Trust Account and returned to the District Treasurer and applied for the benefit of the District in accordance with applicable law.

**Section 5. Investment Instructions.** The Trustee may sell or redeem investments held in any subaccount of the Trust Account in advance of their maturity dates and invest the proceeds of such sale or redemption or other moneys credited to the Trust Account in connection with such sale or redemption in Government Obligations only upon receipt of written instructions from the District Treasurer to do so, and receipt by the parties hereto of:

(a) An opinion in form and substance satisfactory to them of bond counsel experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds to the effect that such action will not cause the interest on the Bonds Being Defeased to become "arbitrage bonds" within the meaning of Section 148 of the Code, and will not adversely affect the right of the District to issue obligations the interest on which is excluded from gross income for federal income tax purposes; and

(b) A report from a nationally recognized certified public accountant or firm of certified public accountants verifying the accuracy of the arithmetic computations of the adequacy of the proceeds from the liquidation together with any other moneys and the maturing principal of and interest on any Government Obligations to be credited to the applicable subaccount of Trust Account in accordance with the District Treasurer's instructions, to pay, when due, the principal of and interest on the applicable series of the Bonds Being Defeased as the same become due at maturity or upon prior redemption.

Upon any such sale or redemption of investments and reinvestment any amounts not needed in the applicable subaccount of the Trust Account to provide for payment of the applicable series of the Bonds Being Defeased, as shown by the accountant's report discussed above may be withdrawn from the applicable subaccount of the Trust Account and returned to the District Treasurer and applied for the benefit of the District in accordance with applicable law.

(c) The parties hereto acknowledge and agree that on the date the funds are transferred to the applicable subaccount of the Trust Account (the "*Transfer Date*"), the Trustee is to receive the Government Obligations. If the Trustee shall not receive any of the Government

Obligations (the "*Failed Escrow Securities*"), the Trustee shall accept, as temporary substitutes cash or, at the same purchase price, other Government Obligations ("*Substitute Escrow Securities*") the payments on which are scheduled to provide, as determined by an independent certified public accountant, along with such cash, at least the same amounts of moneys on or before the same dates as the Failed Escrow Securities for which they are substituted. (The Trustee may rely upon a report of a firm of certified public accountants that the condition in the preceding sentence is satisfied.) If Substitute Escrow Securities are delivered, thereafter, upon delivery to the Trustee of Failed Escrow Securities together with any amounts paid thereon subsequent to the Transfer Date, the Trustee shall return an amount of such cash and Substitute Escrow Securities, and any amount paid thereon subsequent to the Transfer Date, corresponding to the Failed Escrow Securities which the Substitute Escrow Securities replaced.

**Section 6.** **Moneys Not Invested.** Any moneys credited to the Trust Account which are not invested in Government Obligations as provided herein shall be held as a demand deposit and shall be secured as deposits of public moneys.

**Section 7.** **Timely Payments.** The Trustee shall make timely payments from the Trust Account for the Bonds Being Defeased in the amounts and on the dates sufficient to permit the payment when due of the principal of (at maturity or prior redemption as provided for herein) and interest on the applicable series of the Bonds Being Defeased as the same becomes due and payable. Unless otherwise directed by the District Treasurer, in order to determine the amounts and the dates on which principal, interest and applicable premium is due on each series of the Bonds Being Defeased, the Trustee may rely upon the debt service schedules with respect to each series of the Bonds Being Defeased as appear in the Verification Report prepared by Grant Thornton, LLP, certified public accountants.

**Section 8.** **Notices.** (a) On February 24, 2011, the District hereby irrevocably instructs the Trustee as Trustee for the Bonds Being Defeased that all of the Bonds Being Defeased shall be paid at maturity or redeemed by Trustee on the respective redemption dates shown in the Verification Report.

(b) Prior to the date of mailing the notices of redemption pursuant to subsection (c) and if any of the Bonds Being Defeased comprise less than all the bonds of any maturity, the Trustee is instructed to select such Bonds Being Defeased from among all of the bonds of the applicable maturity by such random selection method as the Trustee shall in its sole discretion deem appropriate and fair and which may provide for the selection for redemption of portions (equal to Authorized Denominations as such term is defined in the applicable indentures of the Bonds Being Defeased) of principal of bonds provided that no bonds shall be redeemed if such redemption would result in such bond being less than the minimum Authorized Denominations for such bonds.

(c) The Trustee shall cause notices of defeasance of the Series 2004 Bonds Being Defeased in substantially the form of Exhibit B-1 hereto to be sent during the time periods set forth on the exhibit to the Depository Trust Company, New York, New York ("DTC") and the Municipal Securities Rulemaking Board (the "MSRB"), currently through the MSRB's Electronic Municipal Market Access system ("EMMA"), by the methods prescribed by the DTC and the MSRB, respectively. Additionally, the Trustee shall cause the notices of redemption of the Series 2004 Bonds Being Defeased in substantially the form of Exhibit C-1 regarding the

Series 2004 Bonds Being Defeased to be sent to (1) DTC by the method prescribed by DTC, (2) the MSRB's EMMA by the method prescribed by the MSRB and (3) the list of services listed on said notices by registered or certified mail, overnight delivery service or facsimile not more than thirty (30) and not less than sixty (60) days prior to the redemption dates set forth in Exhibit C-1.

(d) The Trustee shall cause notices of defeasance of the Series 2005 Bonds Being Defeased in substantially the form of Exhibit B-1 hereto to be sent during the time period set forth on the exhibit to DTC and the MSRB, currently through the MSRB's EMMA, by the methods prescribed by the DTC and the MSRB, respectively. Additionally, the Trustee shall cause the notices of redemption of the Series 2005 Bonds Being Defeased in substantially the form of Exhibit C-2 regarding the Series 2005 Bonds Being Defeased to be sent to (1) DTC by the method prescribed by DTC, (2) the MSRB's EMMA by the method prescribed by the MSRB and (3) the list of services listed on said notices by registered or certified mail, overnight delivery service or facsimile not more than thirty (30) and not less than sixty (60) days prior to the redemption dates set forth in Exhibit C-2.

(e) The District agrees to pay the expenses of the Trustee in giving all notices required hereunder pursuant to the registrar contract relative to each series of the Bonds Being Defeased.

**Section 9.** **Insufficient Funds.** If at any time or times there are insufficient funds on hand in the Trust Account for the payment of the principal of and interest on the Bonds Being Defeased as the same becomes due, or for the payment of the fees and expenses of the Trustee, the Trustee shall promptly notify the District of such deficiency and the District shall immediately pay such amount to the Trustee. Moneys in a subaccount shall be used only to pay the principal of and interest on the applicable series of the Bonds Being Defeased for which the subaccount was established.

**Section 10.** **Reports.** On or before each August 15, the Trustee shall submit to the District a report covering all moneys it has received and all payments it has made under the provisions hereof during the six-month period ending on the preceding July 15 and January 15 (except for the first report which will cover the period from the date on which the transfer was made to July 15, 2011). Each such report shall also list all investments and moneys on deposit with the Trustee hereunder as of the date of the report.

**Section 11.** **Costs of Issuance.**

A. The Trustee is hereby authorized and directed to pay, solely from moneys deposited with the Trustee for the purpose of paying the costs of issuance (\$50,000.00), the costs and expenses as set forth in Exhibit D hereto. Amounts deposited with the Trustee for such purpose shall be held in a separate account. Any amounts remaining on the date six (6) months following the date Transfer Date shall be transferred to the District Treasurer.

B. For services hereunder, the Trustee shall be entitled to the Trustee's fees set forth in Exhibit D attached hereto, such fees being due upon the initial deposit of moneys with the Trustee and representing payment of the Trustee's initial fee and prepayment of the annual Trustee's fees for services hereunder during the term hereof. The Trustee shall not create or permit to be

created any lien on moneys in the Trust Account for the failure to pay any such fees. The Trustee shall be reimbursed for all out of pocket costs.

**Section 12.** Transfer Upon Full Payment. When all amounts payable on the Bonds Being Defeased have become due and the Trustee has on deposit all moneys necessary for the payment of such amounts, and in any event on the business day preceding the date on which the last of the Bonds Being Defeased matures or is to be redeemed, the Trustee shall transfer all moneys and investments credited to the Trust Account and not needed to make payments on the Bonds Being Defeased to the District.

**Section 13.** Agreement Irrevocable. The parties recognize that the owners of each applicable series of the Bonds Being Defeased have a beneficial vested interest in the moneys and investments in the applicable subaccount of the Trust Account, and held in trust hereunder and that the transfer shall be made in reliance upon the irrevocable character of the trust created hereby. This Agreement shall not be revoked, and shall not be amended in any manner which may adversely affect the rights herein sought to be protected, until the provisions hereof have been fully carried out.

**Section 14.** Non-Liability. The Trustee shall be under no obligation to inquire into or be otherwise responsible for the performance or nonperformance by the District of any of its obligations or to protect any of the rights of the District under any of the proceedings with respect to the Bonds Being Defeased. The Trustee shall not be liable for any act done or step taken or omitted by it or for any mistake of fact or law or for anything which it may do or refrain from doing except for its negligence or its default in the performance of any obligation imposed upon it hereunder. The Trustee shall not be liable or responsible for any loss resulting from any investment made pursuant to this agreement in compliance with the provisions hereof.

**Section 15.** Audit. The District and the Auditor General of the State of Arizona shall have the right to audit the books, records and accounts of the Trustee insofar as they pertain to the trust created hereunder.

**Section 16.** Assignment; Merger. Neither this Agreement nor the trust created hereunder may be assigned by the Trustee without the prior written consent of the District unless the Trustee is required by law to divest itself of its interest in its trust department or unless the Trustee sells or otherwise assigns all or substantially all of its trust business in which event the trust shall be continued by the Trustee's successor in interest.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation, association or agency shall be otherwise qualified and eligible under this Section 16, without the execution or filing of any paper or any further act on the part of any of the parties hereto. The Trustee, at any time prior to the first anniversary of the date hereof, may assign and transfer by written agreement all property, rights, interests, powers, duties and obligations of the Trustee as established hereunder, to a bank or trust company that is duly qualified to conduct trust business, and has a corporate office in Phoenix, Arizona, that is under common corporate control with the Trustee and that otherwise satisfies the

qualification requirements hereunder for successor Trustees. Upon such assignment and transfer, the transferee bank or trust company shall become successor Trustee and receive, accept and hold all property, rights, interests, powers, duties and obligations thereof without further actions or approvals of any other person.

**Section 17.** Severability. If any section, paragraph, subdivision, sentence, clause or phrase hereof shall for any reason be held illegal or unenforceable, such decision shall not affect the validity of the remaining portions hereof. The parties hereby declare that they would have executed this Agreement and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof, irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases hereof may be held to be illegal, invalid or unenforceable. If any provision hereof contains an ambiguity which may be construed as either valid or invalid, the valid construction shall be adopted.

**Section 18.** Applicable Laws. This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Arizona. This Agreement expresses the entire understanding and all agreements of the parties hereto with each other with respect to the subject matter hereof and no party hereto has made or shall be bound by any agreement or any representation to any other party which is not expressly set forth herein.

**Section 19.** Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original, but all of which together shall constitute but one instrument.

**Section 20.** Conflict of Interest. The District hereby gives notice to the Trustee that Section 38-511, Arizona Revised Statutes, as amended, provides that the State of Arizona, its political subdivisions or any department or agency of either, may within three (3) years after execution thereof cancel any contract without penalty or further obligation, made by the State of Arizona, its political subdivisions or any department or agency of either, if any person significantly involved in initiating, negotiating, securing, drafting or creating such agreements on behalf of the State of Arizona, its political subdivisions or any department or agency of either, is at any time while such 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 to the contract with respect to the subject matter of the contract.

**Section 21.** E-verify requirements. To the extent applicable under A.R.S. § 41-4401, the Trustee 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 Trustee's, or a subcontractor's, breach of the above-mentioned warranty shall be deemed a material breach of this Agreement and may result in the termination of the Agreement by the District. The District retains the legal right to randomly inspect the papers and records of the Trustee and its subcontractors who works on the Agreement to ensure that the Trustee and its subcontractors are complying with the above-mentioned warranty.

The Trustee and its subcontractors warrant to keep the papers and records open for random inspection by the District during normal business hours. The Trustee 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.

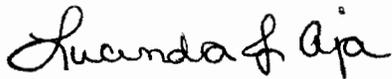
**Section 22. Scrutinized Business Operations.** Pursuant to A.R.S. §§ 35-391.06 and 35-393.06, the Trustee certifies that it does not have scrutinized business operations in Sudan or Iran. For the purpose of this Section the term “scrutinized business operations” shall have the meanings set forth in A.R.S. §§ 35-391 and/or 35-393, as applicable. If the District determines that the Trustee submitted a false certification, the District may impose remedies as provided by law including terminating this Agreement.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

**SUNDANCE COMMUNITY FACILITIES  
DISTRICT (TOWN OF BUCKEYE, ARIZONA)**

By:   
District Treasurer

ATTEST:



District Clerk

**WELLS FARGO BANK, N.A., as Trustee**

By: \_\_\_\_\_  
\_\_\_\_\_

District entry rights onto its property to perform the random inspections and waiving their respective rights to keep such papers and records confidential.

**Section 22. Scrutinized Business Operations.** Pursuant to A.R.S. §§ 35-391.06 and 35-393.06, the Trustee certifies that it does not have scrutinized business operations in Sudan or Iran. For the purpose of this Section the term “scrutinized business operations” shall have the meanings set forth in A.R.S. §§ 35-391 and/or 35-393, as applicable. If the District determines that the Trustee submitted a false certification, the District may impose remedies as provided by law including terminating this Agreement.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

**SUNDANCE COMMUNITY FACILITIES  
DISTRICT (TOWN OF BUCKEYE, ARIZONA)**

By: \_\_\_\_\_  
District Treasurer

ATTEST:

\_\_\_\_\_  
District Clerk

**WELLS FARGO BANK, N.A., as Trustee**

By:   
\_\_\_\_\_  
Vice President

**EXHIBIT A-1**

**GOVERNMENT OBLIGATIONS PURCHASED FROM  
PROCEEDS OF TRANSFER AND INITIAL CASH DEPOSIT  
FOR PAYMENT OF DISTRICT SERIES 2004 BONDS BEING DEFEASED**

<b>Security Type</b>	<b>Maturity Date</b>	<b>Principal Amount</b>	<b>Coupon Rate</b>
SLGS-CI	07/15/2011	\$ 106,101.00	0.150%
SLGS-CI	01/15/2012	99,815.00	0.230%
SLGS-NT	07/15/2012	245,019.00	0.370%
SLGS-NT	01/15/2013	96,847.00	0.570%
SLGS-NT	07/15/2013	247,123.00	0.790%
SLGS-NT	01/15/2014	94,237.00	1.030%
SLGS-NT	07/15/2014	<u>4,064,722.00</u>	1.260%
<b>TOTAL:</b>		<b>\$4,953,864.00</b>	

Initial Cash Deposit \$0.30.

**EXHIBIT A-2**

**GOVERNMENT OBLIGATIONS PURCHASED FROM  
PROCEEDS OF TRANSFER AND INITIAL CASH DEPOSIT  
FOR PAYMENT OF SERIES 2005 BONDS BEING DEFEASED**

<b>Security Type</b>	<b>Maturity Date</b>	<b>Principal Amount</b>	<b>Coupon Rate</b>
SLGS-CI	07/15/2011	\$ 16,645.00	0.150%
SLGS-CI	01/15/2012	14,734.00	0.230%
SLGS-NT	07/15/2012	14,765.00	0.370%
SLGS-NT	01/15/2013	14,791.00	0.570%
SLGS-NT	07/15/2013	14,834.00	0.790%
SLGS-NT	01/15/2014	14,893.00	1.030%
SLGS-NT	07/15/2014	14,969.00	1.260%
SLGS-NT	01/15/2015	15,063.00	1.510%
SLGS-NT	07/15/2015	925,177.00	1.760%
<b>TOTAL:</b>		<b>\$1,045,871.00</b>	

Initial Cash Deposit \$0.98.

**EXHIBIT B-1**

**NOTICE OF DEFEASANCE**

CUSIP No.	Issue (Dated) Date	Name of Issue	Original Principal Amount	Sinking Fund Redemption or Maturity Being Defeased or Paid at Maturity	Principal Amount Being Defeased	Maturity or Redemption Date (July)	Redemption Premium on Bonds Being Defeased (% of principal)
86724P							
AG3	9/23/04	General Obligation Bonds, Series 2004 (Wells Fargo Bank, N.A.)	\$145,000	2012	\$145,000	2012	N/A
AH1			150,000	2013	150,000	2013	N/A
AJ7			155,000	2014	155,000	2014	N/A
AK4			165,000	2015	165,000	2014	N/A
AL2			175,000	2016	175,000	2014	N/A
AM0			185,000	2017	185,000	2014	N/A
AN8			195,000	2018	195,000	2014	N/A
AQ1			205,000	2019*	205,000	2014	N/A
AQ1			215,000	2020*	215,000	2014	N/A
AQ1			230,000	2021*	230,000	2014	N/A
AQ1			245,000	2022*	245,000	2014	N/A
AQ1			260,000	2023*	260,000	2014	N/A
AQ1			275,000	2024*	275,000	2014	N/A
AQ1			295,000	2025*	295,000	2014	N/A
AQ1			310,000	2026*	310,000	2014	N/A
AQ1		330,000	2027*	330,000	2014	N/A	
AQ1		355,000	2028*	355,000	2014	N/A	
AQ1		375,000	2029*	375,000	2014	N/A	
BD9	10/20/05	General Obligation Bonds, Series 2005 (Wells Fargo Bank, N.A.)	\$130,000**	2029*	\$130,000**	2015	N/A
BD9			780,000	2030*	780,000	2015	N/A

\* mandatory redemption dates of term bonds

\*\* partial amount of maturity allocated

Such bonds and obligations are hereinafter referred to as the "Bonds Being Defeased".

Notice is hereby given that the Bonds Being Defeased have been refunded prior to maturity and that an irrevocable trust for each series of the Bonds Being Defeased has been established and funded with obligations issued by or guaranteed by the United States of America in order to provide for the payment of the Bonds Being Defeased.

The Bonds Being Defeased will be paid on the dates and in the amounts (plus interest accrued thereon to the redemption date), as set forth above.

**WELLS FARGO BANK, N.A.**

By \_\_\_\_\_  
Trustee

THIS IS NOT A REDEMPTION NOTICE

This notice shall be sent to the Depository Trust Company, New York, New York ("DTC") and the Municipal Securities Rulemaking Board (the "MSRB"), currently through the MSRB's Electronic Municipal Market Access system within thirty (30) days following the transfer of moneys from the District to the Trustee in an amount sufficient to refund the Bonds Being Defeased by the methods required by DTC and the MSRB, respectively.

**EXHIBIT C-1**

**NOTICE OF REDEMPTION**  
of the following obligations:

Notice is hereby given that the below-described principal amount of the July 15, 2012 through and including the July 15, 2018 maturities and the July 15, 2029 term bond of the Sundance Community Facilities District (Town of Buckeye), General Obligation Bonds, Series 2004, dated September 23, 2004 have been called for redemption and will be redeemed on their respective maturity dates or call date as shown below. The maturity dates and amounts of the bonds to be redeemed are as follows:

CUSIP Number <u>86724P</u>	Maturity Date (July 15)	Principal Amount To Be Redeemed	Interest Rate	Premium	Maturity or Redemption Date (July 15)
AG3	2012	\$ 145,000	5.00%	N/A	2012
AH1	2013	150,000	5.15%	N/A	2013
AJ7	2014	155,000	5.25%	N/A	2014
AK4	2015	165,000	5.35%	N/A	2014
AL2	2016	175,000	5.40%	N/A	2014
AM0	2017	185,000	5.45%	N/A	2014
AN8	2018	195,000	5.50%	N/A	2014
AQ1	2019*	205,000	6.25%	N/A	2014
AQ1	2020*	215,000	6.25%	N/A	2014
AQ1	2021*	230,000	6.25%	N/A	2014
AQ1	2022*	245,000	6.25%	N/A	2014
AQ1	2023*	260,000	6.25%	N/A	2014
AQ1	2024*	275,000	6.25%	N/A	2014
AQ1	2025*	295,000	6.25%	N/A	2014
AQ1	2026*	310,000	6.25%	N/A	2014
AQ1	2027*	330,000	6.25%	N/A	2014
AQ1	2028*	355,000	6.25%	N/A	2014
AQ1	2029*	375,000	6.25%	N/A	2014

\* mandatory redemption date of the July 15, 2029 Term Bond.

Owners of the above-described bonds called for redemption are notified to present the same at the corporate trust office of Wells Fargo Bank, N.A., on or after the date set for redemption, where redemption will be made by payment of the face amount of each such bond plus accrued interest to the date set for redemption plus the respective premium set forth above. All bonds so called for redemption must be surrendered and no interest will be paid on the above-described bonds from and after the redemption date.

DATED: \_\_\_\_\_

WELLS FARGO BANK, N.A.

By \_\_\_\_\_

The following is not part of this notice:

Not more than sixty nor less than thirty days prior to the date set for redemption, Wells Fargo Bank, N.A. shall send notice of redemption to the Depository Trust Company, New York, New York (“DTC”) by the method prescribed by DTC, the Municipal Securities Rulemaking Board (the “MSRB”), currently through the MSRB’s Electronic Municipal Market Access system by the method prescribed by the MSRB and to the list of services as described below:

To the following List of Services:

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

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

And to two of the following List of Services:

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

Financial Information, Inc.'s  
Financial Daily Called Bond Service  
Post Office Box 473  
Jersey City, New Jersey 07303  
Attention: Editor

Kenney Information Service's Called Bond Service  
65 Broadway Street  
New York, New York 10006

**EXHIBIT C-2**

**NOTICE OF REDEMPTION**  
of the following obligations:

Notice is hereby given that the below-described principal amount of the July 15, 2030 term bond of the Sundance Community Facilities District (Town of Buckeye), General Obligation Bonds, Series 2005 have been called for redemption and will be redeemed on their respective maturity dates or call date as shown below. The maturity dates and amounts of the bonds to be redeemed are as follows:

<u>CUSIP Number</u> <u>86724P</u>	<u>Maturity Date</u> <u>(July 15)</u>	<u>Principal Amount</u> <u>To Be Redeemed</u>	<u>Interest</u> <u>Rate</u>	<u>Premium</u>	<u>Redemption</u> <u>Date</u> <u>(July 15)</u>
BD9	2029*	\$ 130,000**	5.125%	N/A	2015
BD9	2030*	780,000	5.125%	N/A	2015

\* Mandatory redemption of the Term Bond maturing July 15, 2030

\*\* Represents a portion of the July 15, 2029 maturity

Owners of the above-described bonds called for redemption are notified to present the same at the corporate trust office of Wells Fargo Bank, N.A., on or after the date set for redemption, where redemption will be made by payment of the face amount of each such bond plus accrued interest to the date set for redemption plus the respective premium set forth above. All bonds so called for redemption must be surrendered and no interest will be paid on the above-described bonds from and after the redemption date.

DATED: \_\_\_\_\_

WELLS FARGO BANK, N.A.

By \_\_\_\_\_

The following is not part of this notice:

Not more than sixty nor less than thirty days prior to the date set for redemption, Wells Fargo Bank, N.A. shall send notice of redemption to the Depository Trust Company, New York, New York ("DTC") by the method prescribed by DTC, the Municipal Securities Rulemaking Board (the "MSRB"), currently through the MSRB's Electronic Municipal Market Access system by the method prescribed by the MSRB and to the list of services as described below:

To the following List of Services:

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

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

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

And to two of the following List of Services:

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

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

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

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

**EXHIBIT D**

**FEES AND EXPENSES OF DEFEASANCE**

The following expenses are to be paid by the Trustee from amounts deposited with the Trustee for that purpose:

Bond Counsel Fees and Costs (1)	\$19,500.00
Financial Consultant and Expenses (2)	20,000.00
CPA Verification (3)	2,500.00
Depository Trustee Fees and Expenses (4)	3,697.13
Miscellaneous	<u>4,302.87</u>
<b>TOTAL</b>	<b><u>\$50,000.00</u></b>

- (1) Gust Rosenfeld P.L.C.
- (2) Wedbush Securities Inc.
- (3) Grant Thornton, LLP
- (4) Wells Fargo Bank, N.A.

**SUNDANCE COMMUNITY FACILITIES DISTRICT  
(TOWN OF BUCKEYE, ARIZONA)**

**2011 PARTIAL DEFEASANCE  
OF  
GENERAL OBLIGATION BONDS, SERIES 2004  
and  
2011 PARTIAL DEFEASANCE  
OF  
GENERAL OBLIGATION BONDS, SERIES 2005**

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**TAX CERTIFICATE**

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The undersigned is the Chairman of the Board of Directors of the Sundance Community Facilities District (Town of Buckeye, Arizona) (the "*District*").

This Certificate is executed for the purpose of establishing certain facts existing as of the date hereof and the reasonable expectations of the District as to future events regarding the partial payment at maturity or defeasance of the July 15, 2012 through 2018 and 2029 maturities in the aggregate principal amount of \$4,265,000 of the District's General Obligation Bonds, Series 2004 (the "*Series 2004 Bonds*") and a portion of the July 1, 2030 maturity in the principal amount of \$910,000 of the District's General Obligation Bonds, Series 2005 (the "*Series 2005 Bond*" and, together with the Series 2004 Bonds, the "*Bonds*"). The Bonds are being defeased by the District in order to reduce the District's financial liability.

This Certificate also sets forth certain terms and conditions relating to the restrictions on the use and investment of funds held in the Depository Trust Agreement dated as of February 1, 2011, which will be used to defease the Bonds in order that the interest on the Bonds will be continue to 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. I 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 in this Certificate, the District relies on the representations of Grant Thornton LLP (the "*Accountant*") as

set forth in the Verification Report prepared by the Accountant (the "*Verification Report*") dated February 24, 2011. The District is not aware of any facts or circumstances that would cause it to question the accuracy or reasonableness of the representations of the Accountant.

**Section 1.3 Depository Trust Agreement.** The term "*Depository Trust Agreement*" as used in this Certificate and its attachments means the Depository Trust Agreement dated as of February 1, 2011 between the District and Wells Fargo Bank, N.A. (the "*Trustee*") with respect to the defeasance of the Bonds. The term "*Trust Account*" as used in this Certificate and its attachments means the Trust Account established pursuant to the Depository Trust Agreement.

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

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

**Section 1.6 Reasonable Expectations.** To the best of 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 Defeased Bonds.** The maturity dates of the Series 2004 Bonds are July 15, 2012 through 2018 and 2029. The maturity date of the Series 2005 Bonds is July 15, 2030.

**Section 2.3 Sources and Uses of Defeasance Funds.** The sources and uses of the defeasance funds are as follows:

**Sources**

District Contribution	<u>\$6,049,736.28</u>
Total Sources	<u>\$6,049,736.28</u>

**Uses**

2004 Escrow Account	
Purchase price of U.S. Treasury Securities – State and Local Government Series	\$4,953,864.00
Beginning cash balance	0.30
2005 Escrow Account	
Purchase price of U.S. Treasury Securities – State and Local Government Series	\$1,045,871.00
Beginning cash balance	0.98
Costs of Defeasance	<u>50,000.00</u>
Total Uses	<u>\$6,049,736.28</u>

**ARTICLE 3.  
ARBITRAGE MATTERS**

**Section 3.1 Defeasance of Bonds -- Trust Account.** \$6,049,736.28 funds of the District shall be deposited in the Trust Account. The Trust Account shall be segregated into two subaccounts, one the Series 2004 Bonds Being Defeased and one for Series 2005 Bonds Being Defeased. \$4,953,864.00 of that amount shall be applied to the Series 2004 Bonds Being Defeased Subaccount to purchase the United States Treasury Obligations - State and Local Government Series shown on Exhibit B-1 attached hereto and \$0.30 will be retained in cash, uninvested as the beginning cash balance. \$1,045,871.00 of that amount shall be applied to the Series 2005 Bonds Being Defeased Subaccount to purchase the United States Treasury Obligations - State and Local Government Series shown on Exhibit B-2 attached hereto and \$0.98 will be retained in cash, uninvested as the beginning cash balance. \$50,000.00 will be used to pay costs associated with the defeasance. The District's contribution deposited in the Trust Account comes from tax collections and is not the sales proceeds of any bond issue or investment proceeds related thereto other than investment proceeds of the issue of which the Bonds are a portion.

(a) The uninvested cash and anticipated receipts from the Investment Obligations on deposit in the Trust Account, without regard to any reinvestment thereof, will be used to pay, and will be sufficient to pay, when due, principal and interest on the Bonds as such become due on their principal and interest payment dates, based on the Verification Report.

(b) Any moneys remaining on deposit in the Trust Account upon the final disbursement of funds sufficient to pay principal, interest and redemption premium, if any, of the Bonds shall be transferred by the Depository Trustee to the District to be placed in the District's Debt Service Fund, said Debt Service Fund to be yield restricted to a yield not greater than the yield on the Bonds.

(c) At no time from and after the date hereof will the proceeds in the Trust Account be used to acquire or hold Higher Yielding Investments with respect to the Bonds.

**Section 3.2 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 Trust Account.

**Section 3.3 Defeasance Not Contemplated at the Time of the Issuance of the Bonds.** At the time of the issuance of the Bonds the establishment of a sinking fund, such as the Trust Account, was not contemplated by the District. At the time of the issuance of the Bonds, the term of the Bonds was not established to facilitate the establishment of a sinking fund, such as the Trust Account. The Trust Account is being established and funded at this time as a result of higher than necessary tax collections of the District since the issuance of the Bonds.

**Section 3.4 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.** The yield on the Series 2004 Bonds as computed by the Underwriter is at least 5.9633%. The yield on the Series 2005 Bonds as computed by the Underwriter is at least 4.8960%.

The Investment Obligations allocated to the Series 2004 Bonds have a yield of 1.199416%, and the Investment Obligations allocated to the Series 2005 Bonds have a yield of 1.712521%.

As shown in the Verification Report, the yield on the Investment Obligations allocated to the Bonds is not more than a Materially Amount Higher than the yield on the Series 2004 Bonds and Series 2005 Bonds, respectively. For this purpose, the term "Materially Higher" means one-thousandth of one percentage point.

#### **ARTICLE 5. MISCELLANEOUS**

**Section 5.1 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 5.2 Permitted Changes; Opinion of Bond Counsel.** The District has 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 these covenants, the District, certifies, represents to and covenants with the owners from time to time of the Bonds comply with the provisions of this Certificate unless and until it receives the opinion of

Bond Counsel to the effect that continued compliance with such provision or provisions is not necessary for interest on the Bonds to remain tax exempt under the Code.

**Section 5.3 Successors and Assigns.** The terms, provisions and conditions of this Tax Certificate shall bind and inure to the benefit of the respective successors and assigns of the District.

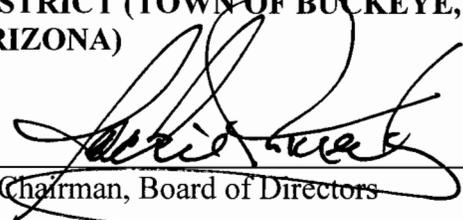
**Section 5.4 Headings.** The headings of this Tax Certificate are inserted for convenience only and shall not be deemed to constitute a part of this Tax Certificate.

**Section 5.5 Direction to Depository Trustee.** The Trustee is hereby authorized and directed to receive the amounts described herein and apply them as provided herein and in the Depository Trust Agreement and the Verification Report.

DATED: February 24, 2011

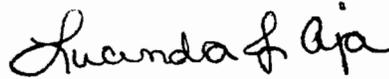
**SUNDANCE COMMUNITY FACILITIES  
DISTRICT (TOWN OF BUCKEYE,  
ARIZONA)**

By



Chairman, Board of Directors

By



District Clerk

## 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:

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

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

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

"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.

"Materially Higher" means the yield that produces Higher Yielding Investments.

"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.

The terms "bond", "sinking fund" 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-1**

**GOVERNMENT OBLIGATIONS PURCHASED FROM  
PROCEEDS OF TRANSFER AND INITIAL CASH DEPOSIT  
FOR PAYMENT OF DISTRICT SERIES 2004 BONDS BEING DEFEASED**

<b>Security Type</b>	<b>Maturity Date</b>	<b>Principal Amount</b>	<b>Coupon Rate</b>
SLGS-CI	07/15/2011	\$ 106,101.00	0.150%
SLGS-CI	01/15/2012	99,815.00	0.230%
SLGS-NT	07/15/2012	245,019.00	0.370%
SLGS-NT	01/15/2013	96,847.00	0.570%
SLGS-NT	07/15/2013	247,123.00	0.790%
SLGS-NT	01/15/2014	94,237.00	1.030%
SLGS-NT	07/15/2014	<u>4,064,722.00</u>	1.260%
<b>TOTAL:</b>		<b>\$4,953,864.00</b>	

Initial Cash Deposit \$0.30.

**EXHIBIT B-2**

**GOVERNMENT OBLIGATIONS PURCHASED FROM  
PROCEEDS OF TRANSFER AND INITIAL CASH DEPOSIT  
FOR PAYMENT OF SERIES 2005 BONDS BEING DEFEASED**

<b>Security Type</b>	<b>Maturity Date</b>	<b>Principal Amount</b>	<b>Coupon Rate</b>
SLGS-CI	07/15/2011	\$ 16,645.00	0.150%
SLGS-CI	01/15/2012	14,734.00	0.230%
SLGS-NT	07/15/2012	14,765.00	0.370%
SLGS-NT	01/15/2013	14,791.00	0.570%
SLGS-NT	07/15/2013	14,834.00	0.790%
SLGS-NT	01/15/2014	14,893.00	1.030%
SLGS-NT	07/15/2014	14,969.00	1.260%
SLGS-NT	01/15/2015	15,063.00	1.510%
SLGS-NT	07/15/2015	925,177.00	1.760%
<b>TOTAL:</b>		<b>\$1,045,871.00</b>	

Initial Cash Deposit \$0.98.

**SUNDANCE COMMUNITY FACILITIES DISTRICT  
(TOWN OF BUCKEYE, ARIZONA)**

**2011 PARTIAL DEFEASANCE  
OF  
GENERAL OBLIGATION BONDS, SERIES 2004  
and  
2011 PARTIAL DEFEASANCE  
OF  
GENERAL OBLIGATION BONDS, SERIES 2005**

---

**DEPOSITORY TRUSTEE'S RECEIPT AND CERTIFICATE**

---

The undersigned, on behalf of Wells Fargo Bank, N.A., as depository trustee (the "*Trustee*") under that certain Depository Trust Agreement dated as of February 1, 2011 (the "*Depository Trust Agreement*"), by and between the Sundance Community Facilities District (Town of Buckeye, Arizona) (the "*District*") and the Trustee, hereby certifies that the Trustee received on the date of this certificate the amount of \$6,049,736.28 in connection with the payment at maturity or defeasance of the July 15, 2012 through 2018 and 2029 maturities in the principal amount \$4,265,000 of the District's General Obligation Bonds, Series 2004 and a portion of the July 15, 2030 maturity in the principal amount of \$910,000 of the District's General Obligation Bonds, Series 2005 (the "*Bonds*"), which amount was applied as follows:

\$4,953,864.00 of the proceeds has been applied to purchase the government obligations described in Exhibit A-1 to the Depository Trust Agreement (the "*Series 2004 Obligations*");

\$0.30 has been deposited to the Series 2004 Bonds Being Defeased Subaccount of the Trust Account (as defined in the Depository Trust Agreement) as the beginning cash balance;

\$1,045,871.00 of the proceeds has been applied to purchase the government obligations described in Exhibit A-2 to the Depository Trust Agreement (the "*Series 2005 Obligations*") and together with the Series 2004 Obligations, the "*Obligations*";

\$0.98 has been deposited to the Series 2005 Bonds Being Defeased Subaccount of the Trust Account (as defined in the Depository Trust Agreement) as the beginning cash balance;

\$50,000.00 will be held in the Costs of Issuance Account uninvested and used to pay expenses as described in Exhibit D to the Depository Trust Agreement.

All excess moneys will be returned to the District and applied for the benefit of the District in accordance with law.

I further certify receipt of the Obligations and the verification report prepared by Grant Thornton LLP, certified public accountants, in connection with the defeasance of the Bonds.

DATED: February 24, 2011

**WELLS FARGO BANK, N.A.**, Depository  
Trustee

By   
Authorized Representative

Defeasance Verification Report

**Sundance Community Facilities District  
(Town of Buckeye, Arizona)**

February 24, 2011

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Exhibit B	2004 Escrow Account Cash Flow
Exhibit B-1	Cash Receipts From and Yield on the SLGS in the 2004 Escrow Account
Exhibit B-2	Debt Service Payments on the Defeased 2004 Bonds
Exhibit C	2005 Escrow Account Cash Flow
Exhibit C-1	Cash Receipts From and Yield on the SLGS in the 2005 Escrow Account
Exhibit C-2	Debt Service Payments on the Defeased 2005 Bonds
Appendix I	Applicable schedules provided by Wedbush Securities



# Grant Thornton

## **Report of Independent Certified Public Accountants On Applying Agreed-Upon Procedures**

District Board  
Sundance Community Facilities District  
(Town of Buckeye, Arizona)  
530 East Monroe Avenue  
Buckeye, Arizona

Gust Rosenfeld P.L.C.  
One East Washington, Suite 1600  
Phoenix, Arizona

Wells Fargo Bank, National Association  
100 West Washington, 22<sup>nd</sup> Floor  
Phoenix, Arizona

Wedbush Securities  
3200 East Camelback Road, Suite 290  
Phoenix, Arizona

**Audit • Tax • Advisory**

**Grant Thornton LLP**  
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We have performed the procedures described in this report, which were agreed to by the Sundance Community Facilities District (Town of Buckeye, Arizona) (the “District”) and Wedbush Securities (the “Financial Consultant”), to verify the mathematical accuracy of certain computations contained in the schedules attached in Appendix I provided by the Financial Consultant. The Financial Consultant is responsible for these schedules. These procedures were performed solely to assist you relating to the District’s General Obligation Bonds, Series 2004 (the “2004 Bonds”) and General Obligation Bonds, Series 2005 (the “2005 Bonds”) and the defeasance of portions of the outstanding 2004 Bonds (the “Defeased 2004 Bonds”) and 2005 Bonds (the “Defeased 2005 Bonds”) (collectively referred to as “Defeased Bonds”) as summarized on the next page. This engagement was performed in accordance with Statements on Standards for Attestation Engagements established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the addressees of this report who are the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures described in this report either for the purpose for which this report has been requested or for any other purpose.

Series	Principal Issued	Dated	Defeased Bonds			
			Principal Defeased	Maturities Defeased	Redemption Date	Redemption Price
2004	\$5,000,000	September 23, 2004	\$4,265,000	7-15-12 to 7-15-18 and 7-15-29	7-15-14	100%
2005	\$6,000,000	October 20, 2005	\$910,000*	7-15-30	7-15-15	100%

\* Represents a portion of the 2030 term bond.

#### VERIFICATION OF ESCROW ACCOUNTS CASH FLOW SUFFICIENCY

The Financial Consultant provided us with schedules (Appendix I) summarizing future escrow accounts cash receipts and disbursements. These schedules indicate that there will be sufficient cash available in (i) the 2004 Escrow Account to pay the principal and interest on the Defeased 2004 Bonds assuming the Defeased 2004 Bonds maturing on and after July 15, 2015 will be redeemed on July 15, 2014 at 100 percent of par plus accrued interest, and (ii) the 2005 Escrow Account to pay the principal and interest on the Defeased 2005 Bonds assuming the Defeased 2005 Bonds will be redeemed on July 15, 2015 at 100 percent of par plus accrued interest.

The attached Exhibit A (Schedule of Sources and Uses of Funds) was compiled based upon information provided by the Financial Consultant.

As part of our engagement to recalculate the schedules attached as Appendix I we prepared schedules attached hereto as Exhibits B through B-2 and C through C-2 independently calculating future escrow accounts cash receipts and disbursements and compared the information used in our calculations to the information listed below contained in applicable pages of the following documents:

- Subscription confirmations, dated February 3, 2011, and Schedules of U.S. Treasury Securities provided by the Financial Consultant used to acquire certain United States Treasury Securities - State and Local Government Series (the "SLGS") insofar as the SLGS are described as to the principal amounts, interest rates, maturity dates, issuance date and first interest payment date; and
- Official Statements for the 2004 Bonds and the 2005 Bonds provided by the Financial Consultant insofar as the Defeased Bonds are described as to the maturity and interest payment dates, principal amounts, interest rates and optional redemption dates and price. The principal amount of the 2030 term bond of the Defeased 2005 Bonds represents a portion of the principal amount outstanding for the July 15, 2029 maturity and the principal outstanding for the July 15, 2030 maturity and was provided by the Financial Consultant.

In addition, we compared the interest rates for each maturity of the SLGS, as shown on the Schedules of U.S. Treasury Securities, with the maximum allowable interest rates shown on the Department of Treasury, Bureau of Public Debt, SLGS Table for use on February 3, 2011 and found that the interest rates were equal to the maximum allowable interest rates for each maturity.

Our procedures, as summarized in Exhibits B through B-2 and C through C-2, prove the mathematical accuracy of the schedules provided by the Financial Consultant summarizing future escrow accounts cash receipts and disbursements. The schedules provided by the Financial Consultant and those prepared by us reflect that (i) the anticipated receipts from the SLGS in the 2004 Escrow Account, together with an initial cash deposit of \$0.30 to be deposited into the 2004 Escrow Account on February 24, 2011, will be sufficient to pay, when due, the principal and interest related to the Defeased 2004 Bonds assuming the Defeased 2004 Bonds maturing on and after July 15, 2015 will be redeemed on July 15, 2014 at 100 percent of par plus accrued interest, and (ii) the anticipated receipts from the SLGS in the 2005 Escrow Account, together with an initial cash deposit of \$0.98 to be deposited into the 2005 Escrow Account on February 24, 2011, will be sufficient to pay, when due, the principal and interest related to the Defeased 2005 Bonds assuming the Defeased 2005 Bonds will be redeemed on July 15, 2015 at 100 percent of par plus accrued interest.

#### VERIFICATION OF YIELDS

The Financial Consultant provided us with schedules (Appendix I) which indicate that (i) the yield on the cash receipts from the SLGS in the 2004 Escrow Account is less than the yield on the 2004 Bonds, and (ii) the yield on the cash receipts from the SLGS in the 2005 Escrow Account is less than the yield on the 2005 Bonds. These schedules were prepared based on the assumed settlement date of February 24, 2011 using a 360-day year with interest compounded semi-annually. The term “yield”, as used herein, means that yield which, when used in computing the present value of all payments of principal and interest to be received on an obligation produces an amount equal to, in the case of the cash receipts from the SLGS in the 2004 Escrow Account and the 2005 Escrow Account, the purchase prices.

As part of our engagement to recalculate the schedules attached as Appendix I we prepared schedules attached hereto as Exhibits B-1 and C-1 independently calculating the yields on (i) the cash receipts from the SLGS in the 2004 Escrow Account calculated on Exhibit B-1, and (ii) the cash receipts from the SLGS in the 2005 Escrow Account calculated on Exhibit C-1. The results of our calculations, based on the aforementioned assumptions, are summarized below:

	<u>Yield</u>	<u>Exhibit</u>
• Yield on the cash receipts from the SLGS in the 2004 Escrow Account	1.199416%	B-1
Yield on the 2004 Bonds	5.9633%	*
• Yield on the cash receipts from the SLGS in the 2005 Escrow Account	1.712521%	C-1
Yield on the 2005 Bonds	4.8960%	*

\* As shown on the respective Form 8038-G's provided by the Financial Consultant.

Our procedures, as summarized in Exhibits B-1 and C-1, prove the mathematical accuracy of the schedules provided by the Financial Consultant summarizing the yields. The schedules provided by the Financial Consultant and the schedules prepared by us reflect that (i) the yield on the cash receipts from the SLGS in the 2004 Escrow Account is less than the yield on the 2004 Bonds, and (ii) the yield on the cash receipts from the SLGS in the 2005 Escrow Account is less than the yield on the 2005 Bonds.

\* \* \* \* \*

We were not engaged to, and did not, perform an examination or a review in accordance with Statements on Standards for Attestation Engagements established by the American Institute of Certified Public Accountants, the objective of which would be the expression of an examination opinion or limited assurance on the items referred to above. Accordingly we do not express such an opinion or limited assurance. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of those to whom this letter is addressed and is not intended to be and should not be used by anyone other than these specified parties.

*Grant Thornton LLP*

Minneapolis, Minnesota  
February 24, 2011

Sundance Community Facilities District  
(Town of Buckeye, Arizona)

SCHEDULE OF SOURCES AND USES OF FUNDS

February 24, 2011

SOURCES:

Cash available for defeasance	<u>\$6,049,736.28</u>
-------------------------------	-----------------------

USES:

2004 Escrow Account:	
- Purchase price of the SLGS	\$4,953,864.00
- Beginning cash deposit	0.30
2005 Escrow Account:	
- Purchase price of the SLGS	1,045,871.00
- Beginning cash deposit	0.98
Costs of defeasance	<u>50,000.00</u>
	<u>\$6,049,736.28</u>

**Sundance Community Facilities District  
(Town of Buckeye, Arizona)**

**2004 ESCROW ACCOUNT CASH FLOW**

<u>Dates</u>	<u>Cash receipts from SLGS in the 2004 Escrow Account (Exhibit B-1)</u>	<u>Debt service payments on the Defeased 2004 Bonds (Exhibit B-2)</u>	<u>Cash balance</u>
Cash deposit on February 24, 2011			\$0.30
07-15-11	\$127,817.68	\$127,817.50	0.48
01-15-12	127,817.93	127,817.50	0.91
07-15-12	272,817.51	272,817.50	0.92
01-15-13	124,192.22	124,192.50	0.64
07-15-13	274,192.21	274,192.50	0.35
01-15-14	120,330.07	120,330.00	0.42
07-15-14	4,090,329.75	4,090,330.00	0.17
	<u>\$5,137,497.37</u>	<u>\$5,137,497.50</u>	

Sundance Community Facilities District  
(Town of Buckeye, Arizona)

CASH RECEIPTS FROM AND YIELD ON THE SLGS  
IN THE 2004 ESCROW ACCOUNT

Receipt date	Principal	Interest rate	Interest	Cash receipts from SLGS in the 2004 Escrow Account	Present value on February 24, 2011 using a yield of 1.199416%
07-15-11	\$106,101	0.150%	\$21,716.68	\$127,817.68	\$127,220.42
01-15-12	99,815	0.230%	28,002.93	127,817.93	126,462.27
07-15-12	245,019	0.370%	27,798.51	272,817.51	268,314.85
01-15-13	96,847	0.570%	27,345.22	124,192.22	121,414.38
07-15-13	247,123	0.790%	27,069.21	274,192.21	266,461.29
01-15-14	94,237	1.030%	26,093.07	120,330.07	116,240.23
07-15-14	4,064,722	1.260%	25,607.75	4,090,329.75	3,927,750.56
	<u>\$4,953,864</u>		<u>\$183,633.37</u>	<u>\$5,137,497.37</u>	<u>\$4,953,864.00</u>
Purchase price of the SLGS in the 2004 Escrow Account					<u>\$4,953,864.00</u>

The sum of the present values of the cash receipts from the SLGS in the 2004 Escrow Account on February 24, 2011, using a yield of 1.199416%, is equal to the purchase price of the SLGS in the 2004 Escrow Account.

**Sundance Community Facilities District  
(Town of Buckeye, Arizona)**

**DEBT SERVICE PAYMENTS ON THE DEFEASED 2004 BONDS**

<u>Date</u>	<u>Principal</u>	<u>Interest rate</u>	<u>Interest</u>	<u>Debt service payments</u>
07-15-11			\$127,817.50	\$127,817.50
01-15-12			127,817.50	127,817.50
07-15-12	\$145,000	5.000%	127,817.50	272,817.50
01-15-13			124,192.50	124,192.50
07-15-13	150,000	5.150%	124,192.50	274,192.50
01-15-14			120,330.00	120,330.00
07-15-14	<u>3,970,000</u>	(1)	<u>120,330.00</u>	<u>4,090,330.00</u>
	<u>\$4,265,000</u>		<u>\$872,497.50</u>	<u>\$5,137,497.50</u>

(1) Actual maturity dates, principal amounts and interest rates are as follows:

<u>Maturity date</u>	<u>Principal amount</u>	<u>Interest rate</u>
07-15-14	\$155,000	5.250%
07-15-15	165,000	5.350%
07-15-16	175,000	5.400%
07-15-17	185,000	5.450%
07-15-18	195,000	5.500%
07-15-29	<u>3,095,000</u>	6.250%
	<u>\$3,970,000</u>	

Sundance Community Facilities District  
(Town of Buckeye, Arizona)

2005 ESCROW ACCOUNT CASH FLOW

<u>Dates</u>	<u>Cash receipts from SLGS in the 2005 Escrow Account (Exhibit C-1)</u>	<u>Debt service payments on the Defeased 2005 Bonds (Exhibit C-2)</u>	<u>Cash balance</u>
Cash deposit on February 24, 2011			\$0.98
07-15-11	\$23,318.53	\$23,318.75	0.76
01-15-12	23,318.52	23,318.75	0.53
07-15-12	23,319.35	23,318.75	1.13
01-15-13	23,318.03	23,318.75	0.41
07-15-13	23,318.88	23,318.75	0.54
01-15-14	23,319.29	23,318.75	1.08
07-15-14	23,318.59	23,318.75	0.92
01-15-15	23,318.29	23,318.75	0.46
07-15-15	933,318.56	933,318.75	0.27
	<u>\$1,119,868.04</u>	<u>\$1,119,868.75</u>	

**Sundance Community Facilities District  
(Town of Buckeye, Arizona)**

**CASH RECEIPTS FROM AND YIELD ON THE SLGS  
IN THE 2005 ESCROW ACCOUNT**

Receipt date	Principal	Interest rate	Interest	Cash receipts from SLGS in the 2005 Escrow Account	Present value on February 24, 2011 using a yield of 1.712521%
07-15-11	\$16,645	0.150%	\$6,673.53	\$23,318.53	\$23,163.31
01-15-12	14,734	0.230%	8,584.52	23,318.52	22,966.64
07-15-12	14,765	0.370%	8,554.35	23,319.35	22,772.47
01-15-13	14,791	0.570%	8,527.03	23,318.03	22,577.86
07-15-13	14,834	0.790%	8,484.88	23,318.88	22,386.99
01-15-14	14,893	1.030%	8,426.29	23,319.29	22,197.31
07-15-14	14,969	1.260%	8,349.59	23,318.59	22,008.20
01-15-15	15,063	1.510%	8,255.29	23,318.29	21,821.07
07-15-15	925,177	1.760%	8,141.56	933,318.56	865,977.15
	<u>\$1,045,871</u>		<u>\$73,997.04</u>	<u>\$1,119,868.04</u>	<u>\$1,045,871.00</u>
Purchase price of the SLGS in the 2005 Escrow Account					<u>\$1,045,871.00</u>

The sum of the present values of the cash receipts from the SLGS in the 2005 Escrow Account on February 24, 2011, using a yield of 1.712521%, is equal to the purchase price of the SLGS in the 2005 Escrow Account.

Sundance Community Facilities District  
(Town of Buckeye, Arizona)

DEBT SERVICE PAYMENTS ON THE DEFEASED 2005 BONDS

<u>Date</u>	<u>Principal</u>	<u>Interest rate</u>	<u>Interest</u>	<u>Debt service payments</u>
07-15-11			\$23,318.75	\$23,318.75
01-15-12			23,318.75	23,318.75
07-15-12			23,318.75	23,318.75
01-15-13			23,318.75	23,318.75
07-15-13			23,318.75	23,318.75
01-15-14			23,318.75	23,318.75
07-15-14			23,318.75	23,318.75
01-15-15			23,318.75	23,318.75
07-15-15	<u>\$910,000</u>	(1)	<u>23,318.75</u>	<u>933,318.75</u>
	<u>\$910,000</u>		<u>\$209,868.75</u>	<u>\$1,119,868.75</u>

(1) Actual maturity date, principal amount and interest rate are as follows:

<u>Maturity date</u>	<u>Principal amount</u>	<u>Interest rate</u>
07-15-30	<u>\$910,000</u> *	5.125%

\* Represents a portion of the principal amount outstanding for the 2030 term bond as provided by the Financial Consultant.

## **APPENDIX I**

**Applicable schedules provided by  
Wedbush Securities**

## Sundance Community Facilities District

(Town of Buckeye, Arizona)

General Obligation Bonds

[2011 Defeasance]

## Preliminary Sources & Uses

Dated 2/24/2011 | Delivered 2/24/2011

### Sources Of Funds

District Contribution	\$6,049,736.28
<b>Total Sources</b>	<b>\$6,049,736.28</b>

### Uses Of Funds

Deposit to Depository Trust - Series 2004 Sub Account	
Beginning Cash	\$0.30
Purchase Escrow Securities (SLGs) <sup>(1)</sup>	4,953,864.00
Deposit to Depository Trust - Series 2005 Sub Account	
Beginning Cash	0.98
Purchase Escrow Securities (SLGs) <sup>(1)</sup>	1,045,871.00
Costs of Issuance <sup>(2)</sup>	50,000.00
<b>Total Uses</b>	<b>\$6,049,736.28</b>

(1) Assumes SLG subscribed on 2/03/2011.

(2) Estimated Costs of Issuance

**Sundance Community Facilities District**

(Town of Buckeye, Arizona)

General Obligation Bonds,

**Series 2004 - Defeased Bonds****Escrow Fund Cashflow**

<b>Date</b>	<b>Principal</b>	<b>Rate</b>	<b>Interest</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Cash Balance</b>	<b>Fiscal Total</b>
02/24/2011	-	-	-	0.30	-	0.30	-
07/15/2011	106,101.00	0.150%	21,716.64	127,817.64	127,817.50	0.44	127,817.50
01/15/2012	99,815.00	0.230%	28,002.89	127,817.89	127,817.50	0.83	-
07/15/2012	245,019.00	0.370%	27,798.48	272,817.48	272,817.50	0.81	400,635.00
01/15/2013	96,847.00	0.570%	27,345.20	124,192.20	124,192.50	0.51	-
07/15/2013	247,123.00	0.790%	27,069.19	274,192.19	274,192.50	0.20	398,385.00
01/15/2014	94,237.00	1.030%	26,093.06	120,330.06	120,330.00	0.26	-
07/15/2014	4,064,722.00	1.260%	25,607.74	4,090,329.74	4,090,330.00	-	4,210,660.00
<b>Total</b>	<b>\$4,953,864.00</b>	<b>-</b>	<b>\$183,633.20</b>	<b>\$5,137,497.50</b>	<b>\$5,137,497.50</b>	<b>-</b>	<b>-</b>

**Investment Parameters**

Investment Model [PV, GIC, or Securities]	Securities
Default investment yield target	Bond Yield
Cash Deposit	0.30
Cost of Investments Purchased with Bond Proceeds	4,953,864.00
Total Cost of Investments	\$4,953,864.30
Target Cost of Investments at bond yield	\$4,278,660.23
Actual positive or (negative) arbitrage	(675,204.07)
Yield to Receipt	1.1994151%
Yield for Arbitrage Purposes	6.1313520%
State and Local Government Series (SLGS) rates for	2/03/2011

**Sundance Community Facilities District**

(Town of Buckeye, Arizona)

General Obligation Bonds,

Series 2004 - Defeased Bonds

**Escrow Summary Cost**

<b>Maturity</b>	<b>Type</b>	<b>Coupon</b>	<b>Yield</b>	<b>Price</b>	<b>Par Amount</b>	<b>Principal Cost</b>	<b>+Accrued Interest</b>	<b>= Total Cost</b>
<b>Escrow</b>								
07/15/2011	SLGS-CI	0.150%	0.150%	100-.000000	106,101	106,101.00	-	106,101.00
01/15/2012	SLGS-CI	0.230%	0.230%	100-.000000	99,815	99,815.00	-	99,815.00
07/15/2012	SLGS-NT	0.370%	0.370%	100-.000000	245,019	245,019.00	-	245,019.00
01/15/2013	SLGS-NT	0.570%	0.570%	100-.000000	96,847	96,847.00	-	96,847.00
07/15/2013	SLGS-NT	0.790%	0.790%	100-.000000	247,123	247,123.00	-	247,123.00
01/15/2014	SLGS-NT	1.030%	1.030%	100-.000000	94,237	94,237.00	-	94,237.00
07/15/2014	SLGS-NT	1.260%	1.260%	100-.000000	4,064,722	4,064,722.00	-	4,064,722.00
<b>Subtotal</b>		-	-	-	<b>\$4,953,864</b>	<b>\$4,953,864.00</b>	-	<b>\$4,953,864.00</b>
<b>Total</b>		-	-	-	<b>\$4,953,864</b>	<b>\$4,953,864.00</b>	-	<b>\$4,953,864.00</b>

**Escrow**

Cash Deposit	0.30
Cost of Investments Purchased with Bond Proceeds	4,953,864.00
Total Cost of Investments	\$4,953,864.30

Delivery Date 2/24/2011

## Sundance Community Facilities District

(Town of Buckeye, Arizona)

General Obligation Bonds,

Series 2004 - Defeased Bonds

### Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
01/15/2011	-	-	-	-	-
07/15/2011	-	-	127,817.50	127,817.50	127,817.50
01/15/2012	-	-	127,817.50	127,817.50	-
07/15/2012	145,000.00	5.000%	127,817.50	272,817.50	400,635.00
01/15/2013	-	-	124,192.50	124,192.50	-
07/15/2013	150,000.00	5.150%	124,192.50	274,192.50	398,385.00
01/15/2014	-	-	120,330.00	120,330.00	-
07/15/2014	155,000.00	5.250%	120,330.00	275,330.00	395,660.00
01/15/2015	-	-	116,261.25	116,261.25	-
07/15/2015	165,000.00	5.350%	116,261.25	281,261.25	397,522.50
01/15/2016	-	-	111,847.50	111,847.50	-
07/15/2016	175,000.00	5.400%	111,847.50	286,847.50	398,695.00
01/15/2017	-	-	107,122.50	107,122.50	-
07/15/2017	185,000.00	5.450%	107,122.50	292,122.50	399,245.00
01/15/2018	-	-	102,081.25	102,081.25	-
07/15/2018	195,000.00	5.500%	102,081.25	297,081.25	399,162.50
01/15/2019	-	-	96,718.75	96,718.75	-
07/15/2019	205,000.00	6.250%	96,718.75	301,718.75	398,437.50
01/15/2020	-	-	90,312.50	90,312.50	-
07/15/2020	215,000.00	6.250%	90,312.50	305,312.50	395,625.00
01/15/2021	-	-	83,593.75	83,593.75	-
07/15/2021	230,000.00	6.250%	83,593.75	313,593.75	397,187.50
01/15/2022	-	-	76,406.25	76,406.25	-
07/15/2022	245,000.00	6.250%	76,406.25	321,406.25	397,812.50
01/15/2023	-	-	68,750.00	68,750.00	-
07/15/2023	260,000.00	6.250%	68,750.00	328,750.00	397,500.00
01/15/2024	-	-	60,625.00	60,625.00	-
07/15/2024	275,000.00	6.250%	60,625.00	335,625.00	396,250.00
01/15/2025	-	-	52,031.25	52,031.25	-
07/15/2025	295,000.00	6.250%	52,031.25	347,031.25	399,062.50
01/15/2026	-	-	42,812.50	42,812.50	-
07/15/2026	310,000.00	6.250%	42,812.50	352,812.50	395,625.00
01/15/2027	-	-	33,125.00	33,125.00	-
07/15/2027	330,000.00	6.250%	33,125.00	363,125.00	396,250.00
01/15/2028	-	-	22,812.50	22,812.50	-
07/15/2028	355,000.00	6.250%	22,812.50	377,812.50	400,625.00
01/15/2029	-	-	11,718.75	11,718.75	-
07/15/2029	375,000.00	6.250%	11,718.75	386,718.75	398,437.50
<b>Total</b>	<b>\$4,265,000.00</b>	<b>-</b>	<b>\$3,024,935.00</b>	<b>\$7,289,935.00</b>	<b>-</b>

## Sundance Community Facilities District

(Town of Buckeye, Arizona)

General Obligation Bonds,

Series 2005 - Defeased Bonds

### Escrow Fund Cashflow

Date	Principal	Rate	Interest	Receipts	Disbursements	Cash Balance	Fiscal Total
02/24/2011	-	-	-	0.98	-	0.98	-
07/15/2011	16,645.00	0.150%	6,673.48	23,318.48	23,318.75	0.71	23,318.75
01/15/2012	14,734.00	0.230%	8,584.48	23,318.48	23,318.75	0.44	-
07/15/2012	14,765.00	0.370%	8,554.31	23,319.31	23,318.75	1.00	46,637.50
01/15/2013	14,791.00	0.570%	8,527.00	23,318.00	23,318.75	0.25	-
07/15/2013	14,834.00	0.790%	8,484.85	23,318.85	23,318.75	0.35	46,637.50
01/15/2014	14,893.00	1.030%	8,426.26	23,319.26	23,318.75	0.86	-
07/15/2014	14,969.00	1.260%	8,349.57	23,318.57	23,318.75	0.68	46,637.50
01/15/2015	15,063.00	1.510%	8,255.27	23,318.27	23,318.75	0.20	-
07/15/2015	925,177.00	1.760%	8,141.55	933,318.55	933,318.75	-	956,637.50
<b>Total</b>	<b>\$1,045,871.00</b>	<b>-</b>	<b>\$73,996.77</b>	<b>\$1,119,868.75</b>	<b>\$1,119,868.75</b>	<b>-</b>	<b>-</b>

#### Investment Parameters

Investment Model [PV, GIC, or Securities]	Securities
Default investment yield target	Bond Yield
Cash Deposit	0.98
Cost of Investments Purchased with Bond Proceeds	1,045,871.00
Total Cost of Investments	\$1,045,871.98
Target Cost of Investments at bond yield	\$914,986.69
Actual positive or (negative) arbitrage	(130,885.29)
Yield to Receipt	1.7125149%
Yield for Arbitrage Purposes	5.1254452%
State and Local Government Series (SLGS) rates for	2/03/2011

**Sundance Community Facilities District**

(Town of Buckeye, Arizona)

General Obligation Bonds,

Series 2005 - Defeased Bonds

**Escrow Summary Cost**

<b>Maturity</b>	<b>Type</b>	<b>Coupon</b>	<b>Yield</b>	<b>Price</b>	<b>Par Amount</b>	<b>Principal Cost</b>	<b>+Accrued Interest</b>	<b>= Total Cost</b>
<b>Escrow</b>								
07/15/2011	SLGS-CI	0.150%	0.150%	100-.000000	16,645	16,645.00	-	16,645.00
01/15/2012	SLGS-CI	0.230%	0.230%	100-.000000	14,734	14,734.00	-	14,734.00
07/15/2012	SLGS-NT	0.370%	0.370%	100-.000000	14,765	14,765.00	-	14,765.00
01/15/2013	SLGS-NT	0.570%	0.570%	100-.000000	14,791	14,791.00	-	14,791.00
07/15/2013	SLGS-NT	0.790%	0.790%	100-.000000	14,834	14,834.00	-	14,834.00
01/15/2014	SLGS-NT	1.030%	1.030%	100-.000000	14,893	14,893.00	-	14,893.00
07/15/2014	SLGS-NT	1.260%	1.260%	100-.000000	14,969	14,969.00	-	14,969.00
01/15/2015	SLGS-NT	1.510%	1.510%	100-.000000	15,063	15,063.00	-	15,063.00
07/15/2015	SLGS-NT	1.760%	1.760%	100-.000000	925,177	925,177.00	-	925,177.00
<b>Subtotal</b>		-	-	-	<b>\$1,045,871</b>	<b>\$1,045,871.00</b>	-	<b>\$1,045,871.00</b>
<b>Total</b>		-	-	-	<b>\$1,045,871</b>	<b>\$1,045,871.00</b>	-	<b>\$1,045,871.00</b>

**Escrow**

Cash Deposit	0.98
Cost of Investments Purchased with Bond Proceeds	1,045,871.00
Total Cost of Investments	\$1,045,871.98

Delivery Date 2/24/2011

**Sundance Community Facilities District**

(Town of Buckeye, Arizona)

General Obligation Bonds,

**Series 2005 - Defeased Bonds**

**Debt Service Schedule**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
01/15/2011	-	-	-	-	-
07/15/2011	-	-	23,318.75	23,318.75	23,318.75
01/15/2012	-	-	23,318.75	23,318.75	-
07/15/2012	-	-	23,318.75	23,318.75	46,637.50
01/15/2013	-	-	23,318.75	23,318.75	-
07/15/2013	-	-	23,318.75	23,318.75	46,637.50
01/15/2014	-	-	23,318.75	23,318.75	-
07/15/2014	-	-	23,318.75	23,318.75	46,637.50
01/15/2015	-	-	23,318.75	23,318.75	-
07/15/2015	-	-	23,318.75	23,318.75	46,637.50
01/15/2016	-	-	23,318.75	23,318.75	-
07/15/2016	-	-	23,318.75	23,318.75	46,637.50
01/15/2017	-	-	23,318.75	23,318.75	-
07/15/2017	-	-	23,318.75	23,318.75	46,637.50
01/15/2018	-	-	23,318.75	23,318.75	-
07/15/2018	-	-	23,318.75	23,318.75	46,637.50
01/15/2019	-	-	23,318.75	23,318.75	-
07/15/2019	-	-	23,318.75	23,318.75	46,637.50
01/15/2020	-	-	23,318.75	23,318.75	-
07/15/2020	-	-	23,318.75	23,318.75	46,637.50
01/15/2021	-	-	23,318.75	23,318.75	-
07/15/2021	-	-	23,318.75	23,318.75	46,637.50
01/15/2022	-	-	23,318.75	23,318.75	-
07/15/2022	-	-	23,318.75	23,318.75	46,637.50
01/15/2023	-	-	23,318.75	23,318.75	-
07/15/2023	-	-	23,318.75	23,318.75	46,637.50
01/15/2024	-	-	23,318.75	23,318.75	-
07/15/2024	-	-	23,318.75	23,318.75	46,637.50
01/15/2025	-	-	23,318.75	23,318.75	-
07/15/2025	-	-	23,318.75	23,318.75	46,637.50
01/15/2026	-	-	23,318.75	23,318.75	-
07/15/2026	-	-	23,318.75	23,318.75	46,637.50
01/15/2027	-	-	23,318.75	23,318.75	-
07/15/2027	-	-	23,318.75	23,318.75	46,637.50
01/15/2028	-	-	23,318.75	23,318.75	-
07/15/2028	-	-	23,318.75	23,318.75	46,637.50
01/15/2029	-	-	23,318.75	23,318.75	-
07/15/2029	130,000.00	5.125%	23,318.75	153,318.75	176,637.50
01/15/2030	-	-	19,987.50	19,987.50	-
07/15/2030	780,000.00	5.125%	19,987.50	799,987.50	819,975.00
<b>Total</b>	<b>\$910,000.00</b>	<b>-</b>	<b>\$902,768.75</b>	<b>\$1,812,768.75</b>	<b>-</b>

**TOWN OF BUCKEYE  
530 E MONROE AVE  
BUCKEYE, AZ 85326**

**DISBURSEMENT REQUEST**

The Sundance GO Bond, Communities Facilities District hereby requests payment to be made to following person for satisfactory performance of the described services to the District.

Reimbursement Requestor:

Wells Fargo  
f/b/o **Sundance CFD 2010 - Defeasance**  
100 W Washington St,  
22<sup>nd</sup> Floor  
Phoenix AZ 85003

Services Performed and Amounts Due.

Series 2004 – Defeased Subaccount No. 85415800	\$ 4,953,864.30
Series 2005 – Defeased Subaccount No. 85415801	\$ 1,045,871.98
Series 2010 – Issuance Subaccount No. 85415802	\$ 50,000.00
	<b>\$ 6,049,736.28</b>

Pay out of the following fund.

Bond Fund Wells Fargo Account #16489600

There are no amounts previously paid out to the requestor for these services.

**Please process by internal transfer:**

Town of Buckeye  
f/b/o Sundance CFD 2010

Sundance GO Bond, Community Facilities District

District Manager

By: Stephen Cleveland

Date: 2/16/11

District Treasurer

By: [Signature]

Date: 2/16/11