

OFFICIAL RECORDS OF  
MARICOPA COUNTY RECORDER  
HELEN PURCELL  
2005-0282456 03/08/2005 09:52  
00671800039A-64-1-1--  
**ELECTRONIC RECORDING**

When recorded, return to:

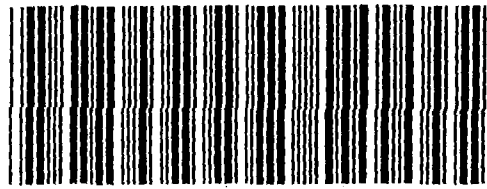
Mr. Scott W. Ruby  
Gust Rosenfeld P.L.C.  
201 East Washington Street, Suite 800  
Phoenix, AZ 85004

---

**DEVELOPMENT, FINANCING PARTICIPATION  
AND INTERGOVERNMENTAL AGREEMENT NO. 1**

THIS DOCUMENT IS BEING RERECORDED FOR THE  
SOLE PURPOSE OF ADDING EXHIBIT A  
ORIGINALLY RECORDED AT DOCUMENT NO. 2003-1113492

**DO NOT REMOVE**  
**This is part of the official document.**



OFFICIAL RECORDS OF  
 MARICOPA COUNTY RECORDER  
 HELEN PURCELL  
 2003-1113492 08/14/03 16:01  
 1 OF 4

SOTOR

When recorded, return to:

Mr. Scott W. Ruby, Esq.  
 Gust Rosenfeld P.L.C.  
 201 E. Washington, Suite 800  
 Phoenix, AZ 85004-2327

**DEVELOPMENT, FINANCING PARTICIPATION  
 AND INTERGOVERNMENTAL AGREEMENT NO. 1**

**FOR**

**WESTPARK  
 COMMUNITY FACILITIES DISTRICT  
 (BUCKEYE, ARIZONA)**

**by and among**

**TOWN OF BUCKEYE, ARIZONA,**

**WESTPARK COMMUNITY FACILITIES DISTRICT  
 (BUCKEYE, ARIZONA),**

**ROSTON COMPANY, L.L.C. and  
 Donros LLC, dba Donros Development, LLC  
 Donner Management Co., Inc.  
 B Bar G Farms Limited Partnership  
 C & S Buckeye RID LLC  
 CKY Buckeye LLC  
 Charles F. Youngker and Son Limited Partnership**

Dated as of 8-5, 2003

THIS DOCUMENT IS BEING RERECORDED  
 TO ADD EXHIBIT A

**DEVELOPMENT, FINANCING PARTICIPATION  
AND INTERGOVERNMENTAL AGREEMENT NO. 1  
WESTPARK  
COMMUNITY FACILITIES DISTRICT  
(BUCKEYE, ARIZONA)**

ARTICLE I	COMMUNITY FACILITIES DISTRICT.....	3
ARTICLE II	CONSTRUCTION OF PROJECTS BY DEVELOPER.....	5
ARTICLE III	ACQUISITION OF PROJECTS FROM DEVELOPER.....	6
ARTICLE IV	CONSTRUCTION OF PROJECTS BY THE DISTRICT .....	8
ARTICLE V	FINANCING OF PROJECTS .....	10
ARTICLE VI	MATTERS RELATING TO THE BONDS AND OTHER OBLIGATIONS OF THE DISTRICT .....	13
ARTICLE VII	ACCEPTANCE BY THE MUNICIPALITY; MAINTENANCE; APPLICABILITY OF THE INTERGOVERNMENTAL AGREEMENT ACT .....	18
ARTICLE VIII	INDEMNIFICATION AND INSURANCE.....	22
ARTICLE IX	[RESERVED] .....	24
ARTICLE X	MISCELLANEOUS .....	25
SIGNATURES	.....	29
EXHIBIT A	LEGAL DESCRIPTION OF PROPERTY .....	A-1
EXHIBIT B	FORM OF CERTIFICATE OF ENGINEERS FOR CONVEYANCE OF SEGMENT OF PROJECT .....	B-1
EXHIBIT C	FORM OF CONVEYANCE OF SEGMENT OF PROJECT.....	C-1
EXHIBIT D	FORM OF DISCLOSURE PAMPHLET.....	D-1

**THIS DEVELOPMENT, FINANCING PARTICIPATION AND INTER-GOVERNMENTAL AGREEMENT NO. 1 FOR WESTPARK, COMMUNITY FACILITIES DISTRICT (BUCKEYE, ARIZONA)** dated as of Aug. 5, 2003 (the "Agreement"), by and among the Town of Buckeye, Arizona, a municipal corporation under the laws of the State of Arizona (the "Municipality"), Westpark Community Facilities District (Buckeye, Arizona), a community facilities district formed by the Municipality, and duly organized and validly existing, pursuant to the laws of the State of Arizona (the "District"), and Roston Company, L.L.C., a Nevada limited liability company (the "Developer"), who has an interest in the real property within the District. Donner Management Co., Inc., a Nevada corporation, Donros LLC, a limited liability company duly formed and validly existing pursuant to the laws of Nevada and duly authorized to do business in the State of Arizona as Donros Development, LLC, B Bar G Farms Limited Partnership, an Arizona limited partnership, C & S Buckeye RID LLC, an Arizona limited liability company, CKY Buckeye LLC, an Arizona limited liability company, and Charles F. Youngker and Son Limited Partnership, an Arizona limited partnership, all own or have an interest in any real property within the District (collectively, the "Other Parties"), have acknowledged and agreed to the terms and provisions of this Agreement and have consented to the recording of this Agreement as a binding encumbrance against their respective property, by the execution of the Consent and Agreement attached hereto.

WITNESSETH:

**WHEREAS**, pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended (the "Act"), and Section 9-500.05, Arizona Revised Statutes, as amended, the Municipality, the District and the Developer may enter into this Agreement as a "development agreement" to specify, among other things, conditions, terms, restrictions and requirements for "public infrastructure" (as such term is defined in the Act) and the financing of public infrastructure, including, but not limited to subsequent reimbursements or repayments over time; and

**WHEREAS**, with regard to the property described in Exhibit "A" hereto (the "Property") which makes up the real property included within the boundaries of the District, the Municipality, the District and the Developer have determined to specify some development and financing particularly matters relating to the acquisition or construction of certain public infrastructure by the District, including matters relating to public bidding the construction of the public infrastructure pursuant to Title 34, Arizona Revised Statutes, as amended, the acceptance thereof by the Municipality or other public entity, the possible sale of bonds by the District to finance the costs of the public infrastructure, and, if applicable and approved by the District, the reimbursement or repayment of the Developer with respect thereto, all pursuant to the Act; and

**WHEREAS**, Municipality and Developer have entered into that certain Pre-Annexation and Development Agreement (the "Original DA") which is recorded in the Official Records of the Maricopa County Recorder's Office as Document No. 2000-0815885 and that certain First Amendment to Pre-Annexation and Development Agreement (the "First Amendment to DA") and together with the Original DA, referred to herein as the "Development Agreement") which is recorded in the Official Records of the Maricopa County Recorder's Office

as Document No. 2002-0080479, which Development Agreement relates to the development of the Property and the funding and construction of public infrastructure required to serve the Property; and

**WHEREAS**, this Agreement as a "development agreement" is consistent with the "general plan" of the Municipality as defined in Section 9-461, Arizona Revised Statutes, as amended, applicable to the Property on the date this Agreement is executed; and

**WHEREAS**, general obligation bonds (the "G.O. Bonds") and/or special assessment lien bonds (the "Assessment Bonds") of the District may be issued and costs established assessed and collected in the sole discretion of the District board of directors (the "District Board"), to provide moneys to finance certain "public infrastructure purposes" (as such term is defined in the Act) described in the General Plan of the District (the "General Plan") heretofore approved by the Municipality and the District (collectively, the G.O. Bonds and the Assessment Bonds of the District are referred to as the "Bonds"); and

**WHEREAS**, the District Board has ordered, called and conducted a general obligation bond election, whereat the persons qualified to vote at such election pursuant to the Act authorized the District Board to issue, in its sole discretion, G.O. Bonds in an amount not to exceed Twenty-Five million dollars (\$25,000,000.00) to provide moneys for public infrastructure purposes consistent with the ballot, the General Plan and the Act; and

**WHEREAS**, the District Board, pursuant to the procedures prescribed by Sections 48-576 through 48-589, Arizona Revised Statutes, as amended, as nearly as practicable, or such other procedures as the District Board provides, may, in its sole discretion but subject to the terms of this Agreement, levy an assessment of the costs of any public infrastructure or public infrastructure purpose on any land in the District based on the benefit determined by the District Board to be received by the land and sell the Assessment Bonds secured by such assessments; and

**WHEREAS**, pursuant to the Act, the District may enter into this Agreement with the Developer and Other Parties with respect to the advance of moneys for public infrastructure purposes by the Developer and the repayment of such advances and potentially to obtain credit enhancement for, and process disbursement and investment of proceeds of, any Bonds; and

**WHEREAS**, pursuant to the Act and Title 11, Chapter 7, Article 3, Arizona Revised Statutes, as amended (the "Intergovernmental Agreement Act"), the District and the Municipality may enter into the specified sections of this Agreement as an "intergovernmental agreement" with one another for joint or cooperative action for services and to jointly exercise any powers common to them and for the purposes of the planning, design, inspection, ownership, control, maintenance, operation or repair of public infrastructure; and

**WHEREAS**, pursuant to Section 48-715, Arizona Revised Statutes, as amended, and the CFD Guidelines (as defined herein) before constructing or acquiring any public infrastructure improvements, the District Board is required to cause a report of the feasibility and benefits of the projects (the "Report") relating to such public infrastructure improvements to be

prepared by engineers and other qualified persons, which must include a description of the public infrastructure to be constructed or acquired and all other information useful to understand the projects, a map showing, in general, the location of the projects, an estimate of the cost to construct, acquire, operate and maintain the projects, an estimated schedule for completion of the projects, a map or description of the area to be benefited by the projects, and a plan for financing the projects; and

**WHEREAS**, nothing contained in this Agreement is intended to limit the District Board in exercising its judgment with respect to the issuance of Bonds during the process of reviewing and approving or rejecting the Report;

**NOW, THEREFORE**, in the joint and mutual exercise of their powers, in consideration of the above premises and of the mutual covenants herein contained and for other valuable consideration, and subject to the conditions set forth herein the parties hereto agree as follows:

## **ARTICLE I**

### **COMMUNITY FACILITIES DISTRICT**

**Section 1.1** Except as otherwise specifically provided in this Agreement, as may be amended from time to time, the District and any other community facilities district that may be comprised of all or part of the Property shall be subject to and governed by the terms and provisions of the Town of Buckeye, Arizona, Policy Guidelines and Application Procedures for the Establishment of Community Facilities Districts, as amended from time to time (the "CFD Guidelines").

**Section 1.2** The District may retain an independent financial advisor, legal advisor, underwriter, engineer and such other advisors and consultants as may be necessary to assist the District in its operations, including but not limited to evaluating budgets, feasibility reports, financing documents, construction documents and similar matters.

**Section 1.3** The District shall maintain its records and conduct its affairs in accordance with the Act, the laws of the State of Arizona and the CFD Guidelines.

**Section 1.4** The District shall pay the Municipality for the costs of services provided by the Municipality to the District and Municipality administrative costs and expenses relating to the District. ("Municipality Overhead") and District Maintenance Expenses as described in Article VII of this Agreement. As required by the District, the Municipality will provide the District and the District will provide the Developer with an invoice for the Municipality's costs and expenses. The Developer agrees to pay to the District the amounts owed as described in Article VII of this Agreement within forty-five (45) days of receipt of the invoice.

**Section 1.5** (a) All infrastructures described in the General Plan that is or expected to be financed with District moneys or District Bond proceeds ("District Financed Infrastructure") shall be public infrastructure improvements as described in the Act. Any District

Financed Infrastructure shall be publicly bid and awarded pursuant to the provisions of Title 34 of the Arizona Revised Statutes, as amended, and in accordance with the bidding policies of the Municipality (collectively, the "Public Bid Requirements").

(b) Compliance with the Public Bid Requirements shall be evidenced by the certification of the engineers of the Developer and the District (collectively, the "Engineers") with respect thereto in the form of Exhibit "B" hereto (the "Certificate of the Engineers").

(c) Each construction or acquisition contract relating to the public infrastructure improvements or purposes shall provide that the respective contractors or vendors shall not have recourse, directly or indirectly, to the Municipality and, in the case of any initial financing provided by the Developer for which reimbursement is expected the District, for the payment of any costs under such contract or any liability, claim or expense arising therefrom and that the Developer shall have sole liability for payment under such contract of all such amounts.

**Section 1.6** Developer or, if Developer and Other Parties together are liable or encumbered for 25% or less of the debt service costs of any proposed issuance of Bonds of the District ("Third Party Bonds"), the District or any third party owning real property within the District, shall have the right to submit to the District Board one or more Reports pertaining to the issuance of Third Party Bonds to finance the construction, acquisition or installation of all or a part of the public infrastructure improvements described in the General Plan. Notwithstanding the foregoing, with respect to a Report pertaining to the issuance of General Obligation Bonds to finance the construction, acquisition, installation of all or a part of the public infrastructure improvements or public infrastructure purpose described in the General Plan, until such time as the Developer and Other Parties together own in fee title less than 25% of the Property by acreage, the Developer shall have the sole right to initiate or submit any such Report to the District Board. The District Board, exercising its sole discretion may thereafter approve or reject the Report and approve or reject the issuance of District Bonds, including Third Party Bonds.

**Section 1.7** Notwithstanding Section 1.6 above, Developer shall be permitted to withdraw any Report submitted by Developer from consideration by the District at any time before the conclusion of the hearing thereon. In the event of such a withdrawal, the District Board shall not approve the Report or adopt any resolution which would effect an implementation of any part of the transaction described in such Report. Developer shall be permitted to resubmit any such withdrawn Report or any Report which has been rejected by the District Board and then amended by Developer, at such time as Developer may, in its sole discretion, deem advisable.

**Section 1.8** Subject to the approval of the District, Developer shall have the right to cause to be constructed, utilizing the Public Bid Requirements, any part or all of the public infrastructure improvements or purposes described in the General Plan, and thereafter submit a Report to the District requesting the District to acquire the public infrastructure improvements or otherwise reimburse the Developer for the costs of the public infrastructure improvements. If the District Board, exercising its sole discretion, approves the Report and the District has or expects to have sufficient Bond proceeds to acquire the public infrastructure

improvements and/or pay for the public infrastructure purposes or otherwise reimburse the Developer for the costs of the public infrastructure or public infrastructure purpose, the District may acquire the public infrastructure pursuant to the terms of this Agreement. All such construction of District Financed Infrastructure shall be performed, subject to applicable permit requirements for any improvements or buildings to be constructed, in a good and workmanlike manner and in compliance with all applicable standards, codes, rules, guidelines or regulations of the Municipality. The prior dedication of any easements or rights-of-way shall not affect or proscribe Developer's right to construct public infrastructure improvements or undertake public infrastructure purposes thereon or to be reimbursed for such construction costs by the District.

Nothing contained in this Section 1.8 shall limit or prohibit the District from constructing or acquiring public infrastructure improvements pursuant to the terms and provisions of the Act and Article IV of this Agreement.

## ARTICLE II

### CONSTRUCTION OF PROJECTS BY DEVELOPER

**Section 2.1** (a) Subject to the other terms and provisions of this Agreement, Developer at its sole cost and expense may, unless the procedure to have the District construct the public infrastructure improvements as described in Article IV hereof is followed, cause the public infrastructure improvements or purposes, including but not limited to those improvements described in the General Plan (collectively, the "Acquired Infrastructure" and as detailed in the General Plan on a project-by-project basis as an "Acquisition Project" or the "Acquisition Projects") in accordance with plans and specifications approved by the Municipality (the "Plans and Specifications").

(b) The Acquisition Projects shall be constructed in accordance with the requirements for construction projects of the Municipality.

**Section 2.2** The Acquisition Projects shall be bid in one or more parts pursuant to the requirements set forth in Section 1.5 of this Agreement. Any agreements or contracts for such work shall be hereafter referred to as the "Acquisition Project Construction Contracts" and individually as an "Acquisition Project Construction Contract".

**Section 2.3** The total bid amount of any Acquisition Project Construction Contract shall be approved by the District Manager or his designee and the District Engineer, provided however, that so long as the bid amount does not exceed the estimated cost of the Acquisition Project set forth in the Approved Report, the total bid amount shall be approved unless the District Manager or District Engineer provide in writing specific reasons for disapproval. Any change order to any Acquisition Project Construction Contract shall be subject to approval by the District Engineers and the District Manager (which approval shall not be unreasonably withheld or delayed) and shall be certified to in the Certificate of the Engineers; provided, however, that any change order increasing the amount of an Acquisition Project

Construction Contract by more than 10% of the original contract amount or modifying significantly the scope of the work otherwise shall be approved by the District Board. Any increase in cost caused by any change order shall be the sole responsibility of Developer but may be included by Developer in any applicable Segment Price pursuant to Article III below.

**Section 2.4** As between Developer, the Municipality and the District, Developer shall bear all risks, liabilities, obligations and responsibilities under each Acquisition Project Construction Contract and all risk of loss of or damage to any Acquisition Project (or applicable part thereof) specified in Article IV hereof.

### **ARTICLE III**

#### **ACQUISITION OF PROJECTS FROM DEVELOPER**

**Section 3.1** (a) Subject to the other terms and provisions of this Agreement and after approval by the District Board of a Report pertaining to the applicable Acquisition Project, Developer shall sell to the District, and the District shall acquire from Developer, each Acquisition Project, together with all real property or interests therein necessary to operate and maintain the District financed improvements (collectively, the "Necessary Public Property"), when completed, or in completed discrete portions as determined by the District Engineer and the District Manager and in accordance with the Plans and Specifications (a "Segment") at the price for a Segment (the "Segment Price") established as provided in Section 3.2 hereof. At the request of the District the Developer shall convey any acquired Acquisition Project or segments, and the Necessary Public Property to be conveyed directly to the Municipality, together with a direct assignment of any warranties, guarantees and bonds. The Other Parties shall convey any Necessary Public Property owned by such Other Parties concurrently with Developer's conveyance of any Acquisition Project.

(b) Any such acquisition shall be financed (i) at any time before the sale and delivery of any of the Bonds only pursuant to Section 5.1(a) hereof and (ii) at any time after the sale and delivery of any of the Bonds only pursuant to Section 5.1(b) hereof.

(c) Developer and Other Parties have not been and shall not be compensated for any of the Acquired Infrastructure except as provided herein. The District shall not be liable for any payment or repayment to Developer and/or Other Parties therefor except as provided by this Agreement.

(d) As of the date of this Agreement, none of the Acquired Infrastructure has been dedicated by Developer or Other Parties or accepted by the District or the Municipality or offered for dedication by Developer or Other Parties or acceptance by the District or the Municipality.

**Section 3.2** (a) The Segment Price for a Segment shall be equal to the sum of the amounts bid (together with or net of any approved change orders), and approved pursuant to Section 2.3 of this Agreement and actually paid by Developer for (l) design, engineering,

and/or construction plans for the Segment, (2) construction and/or installation of the Segment pursuant to the Acquisition Project Construction Contract for such Segment, (3) inspection and supervision by the District of performance under such Acquisition Project Construction Contract, (4) other miscellaneous and incidental costs relating to the construction and/or installation of such segment approved by the Report. Except as otherwise expressly agreed to by Developer and the District in a written agreement or in a written Resolution of the District, the Segment Price shall not include any amount for any Necessary Public Property.

(b) The Segment Price shall be certified in the Certificate of the Engineers for that Segment.

**Section 3.3** The District shall pay the Segment Price for and acquire from Developer, and Developer shall, subject to Section 5.1(a)(ii) below, accept the Segment Price for and sell to the District, each Segment as provided in Section 3.1 hereof after the approval of the Report and after receipt by the District Manager of the following with respect to such Segment, in form and substance reasonably satisfactory to the District Manager:

(a) the Certificate of the Engineer;

(b) the "Conveyance for Segment of Project" in the form of Exhibit "C" hereto (hereinafter referred to as a "Conveyance") or such other conveyance agreement as required by the Municipality or the District;

(c) evidence that all Necessary Public Property has been conveyed to the Municipality and public access to the Segment or the Acquisition Project, as applicable, has been or will be provided to the Municipality;

(d) the assignment of all contractors' and materialmen's warranties and guarantees as well as payment and performance bonds;

(e) an acceptance letter issued by the Municipality and by its terms subject specifically to recordation of the Conveyance of the Segment of Project which is the subject of such letter; and

(f) such other agreements, documents, instruments, approvals or opinions as may reasonably be requested by the District Manager including, with respect to any Necessary Public Property, title reports, insurance and opinions and/or other evidence satisfactory to the District Manager that any Necessary Public Property to be acquired does not contain environmental contaminants which make such real property unsuitable for its intended use or, to the extent such contaminants are present, a plan satisfactory to the District Manager which sets forth the process by which such Necessary Public Property will be made suitable for its intended use and the sources of funds necessary to accomplish such purpose.

**Section 3.4** The Developer and/or Other Parties shall convey to the District, or if directed by the District, to the Municipality, without cost, all Necessary Public Property.

The Necessary Public Property required shall be similar to the requirements for construction projects of the Municipality similar to the Segment.

## ARTICLE IV

### CONSTRUCTION OF PROJECTS BY THE DISTRICT

**Section 4.1** (a) Subject to the other terms and provisions of this Agreement, the District, after approval by the District Board of a Report, prior to the bidding therefor, may cause any of the public infrastructure described in the General Plan (hereinafter referred to if constructed pursuant to the provisions of this Article IV collectively as the "Constructed Infrastructure" and as detailed in the General Plan on a project-by-project basis a "Construction Project" or the "Construction Projects") to be constructed in accordance with the Plans and Specifications.

(b) The Construction Projects shall be constructed in accordance with the requirements for construction projects of the Municipality similar to the Construction Projects unless heretofore agreed otherwise by the Municipality.

**Section 4.2** The Construction Projects shall be bid in one or more parts by and in the name of the District pursuant to the Public Bid Requirements, and contracts shall be entered into by the District (hereinafter referred to as collectively the "Construction Project Construction Contracts" and individually as "Construction Project Construction Contract").

**Section 4.3** Prior to bidding any contract for the construction of a Construction Project, the Developer and/or Other Parties shall convey to the District or if directed by the District to the Municipality all Necessary Public Property required for the construction, operation and maintenance of the public improvements comprising the Construction Project. Except as otherwise expressly agreed to by the parties in a written agreement or in a Resolution of the District, the conveyance of Necessary Public Property shall be without cost to the District or Municipality. The type, size and attributes of the Necessary Public Property required for the construction, operation or maintenance of the Construction Project shall be similar to the requirements for construction projects of the Municipality similar to the Construction Project. In addition, such conveyance shall occur after receipt by the District Manager of the following with respect to such Necessary Public Property, in form and substance reasonably satisfactory to the District Manager:

(i) a special warranty deed or easement from the Developer or Other Parties for such Necessary Public Property executed by an authorized officer of the Developer,

(ii) evidence satisfactory to the District Manager that such Necessary Public Property does not contain environmental contaminants which make such Necessary Public Property unsuitable for its intended use or to the extent such contaminants are present, a plan satisfactory to the District Manager which sets forth the process by which such Necessary Public Property will be made suitable for its intended use, a plan for remediation of such contaminants,

if required by the District Manager and the sources of funds necessary to accomplish such purpose, and

(iii) such other agreements, documents, instruments, approvals or opinions as the District Board may reasonably request including title reports, insurance and opinions.

**Section 4.4** Developer and the Other Parties have not been and shall not be compensated for any costs of any Construction Project except as provided herein.

**Section 4.5** Construction of any Construction Project has not and shall not commence prior to conveyance of all Necessary Public Property and approval of the Report as required by, and for all purposes of, the Act.

**Section 4.6** Any such construction or acquisition shall be financed (i) at any time before the sale and delivery of any of the Bonds only pursuant to Section 5.2(a) hereof and (ii) at any time after the sale and delivery of any of the Bonds only pursuant to Section 5.2(b) hereof.

## ARTICLE V

### FINANCING OF PROJECTS

**Section 5.1** (a) (i) To provide for any acquisition of a Segment occurring before the sale and delivery of any Bonds, the Segment Price of that Segment shall be paid by Developer subject to payment and acquisition by the District pursuant to the terms of this Agreement and the Conveyance for Segment of Project relating thereto.

(ii) As soon as possible after the sale and delivery of any Bonds issued for the purpose of acquiring a Segment, the amount of the Segment Price of a Segment paid by the Developer prior to the sale and delivery of the Bonds shall, subject to the requirements of Section 3.3 hereof, be paid to Developer from, and only from, the proceeds of the sale and delivery of the Bonds issued for the purpose of acquiring a Segment. Neither the District nor the Municipality shall be liable to Developer or any Other Party (or any contractor or assigns under any Acquisition Project Construction Contract) for payment of any Segment Price. No representation or warranty is given by the District, or District Board that Bonds will be approved for issuance and sale by the District Board, can be sold by the District, or that sufficient proceeds from the sale of the applicable Bonds shall be available to pay any Segment Price. The foregoing is not intended to limit the right of Developer to payment for any amount of the Segment Price of a Segment paid by Developer in excess of the proceeds from the sale of the Bonds if the District thereafter finances such amount from future Bond proceeds, and the District and the Municipality shall reasonably cooperate with Developer in preserving the right to any such future payment.

(iii) Until the sale and delivery of the Bonds issued for the purpose of acquiring a Segment, the District shall not have any obligation to repay Developer for any payment made by Developer to pay a Segment Price.

(b) (i) Any acquisition of a Segment occurring after the sale and delivery of any Bonds issued for the purpose of acquiring a Segment shall, subject to the requirements of Section 3.3 hereof, be provided for by the payment of the Segment Price for such Segment from, and only from, the proceeds of the sale and delivery of the Bonds issued for the purpose of acquiring a Segment.

(ii) Until the sale and delivery of the Bonds issued for the purpose of acquiring a Segment, the District shall have no obligation to pay such Segment Price. Neither of the District nor the Municipality shall be liable to Developer or Other Parties (or any contractor or assigns under any Contract) for payment of any Segment Price. No representation or warranty is given by the District, or District Board that Bonds will be approved for issuance and sale by the District Board, can be sold by the District or that sufficient proceeds from the sale of the Bonds issued for the purpose of acquiring a Segment, shall be available to pay such Segment Price. The foregoing is not intended to limit the right of Developer to payment for any deficiency between the proceeds from the sale of the Bonds and the amount of any Segment Price of a Segment paid by Developer if the District thereafter finances such amount from other or future Bonds and the District and the Municipality shall reasonably cooperate with Developer in preserving the right to any such future payment.

(c) If the Bonds are not issued or if the proceeds of the Bonds are insufficient to pay all of the Segment Prices for the Acquired Infrastructure, there shall be no recourse to the District or the Municipality and the District and the Municipality shall not have liability with respect to the Segment Prices for the Acquired Infrastructure, except, the District shall be liable for payment only from the proceeds of the sale of the Bonds, if any. Nothing contained in this Section 5.1 shall obligate the Municipality to pay for any Segment Price or Acquired Infrastructure from any monies of the Municipality.

**Section 5.2** (a) (i) To provide for amounts due pursuant to any Construction Project Construction Contract (including incidental costs relating thereto) before the sale and delivery of any Bonds, such amounts shall be paid by Developer pursuant to the terms of this Agreement. Incidental costs related to a Construction Project Construction Contract shall include, without limitation, permits, staking costs, general conditions, engineering costs, bonds, District Engineer's Costs relating to the Construction Project Construction Contract and third-party construction management costs, (collectively such amounts due pursuant to any Construction Project Construction Contract and incidental costs related thereto are referred to as "Construction Costs"). Each payment of such Construction Cost by the Developer shall be evidenced by a written acknowledgement of the District Manager included as part of the written approval of the Engineers of each pay request of the contractor for such Construction Project Construction Contract.

(ii) As soon as possible after the sale and delivery of any Bonds issued for the purpose of paying the Construction Costs of a Construction Project Construction Contract, the total amounts of the Construction Costs paid by Developer prior to the sale and delivery of the Bonds shall be paid to Developer from, and only from, the proceeds of the sale and delivery

of the Bonds issued for the purpose of paying the Construction Costs of a Construction Project Construction Contract. Neither the District nor the Municipality shall be liable to Developer or Other Parties (or any contractor or assigns under any Contract) for payment of any such Construction Cost amount. No representation or warranty is given by the District or District Board that sufficient proceeds from the sale of any Bonds shall be available to pay such amounts of the Construction Costs paid by Developer. The foregoing is not intended to limit the right of Developer to payment for any amount of the Construction Costs paid by Developer in excess of the proceeds from the sale of the Bonds issued for the purpose of paying the Construction Costs of a Construction Project Construction Contract if the District thereafter finances such amount from future Bonds and the District and the Municipality shall reasonably cooperate with Developer in preserving the right to any such future payment.

(iii) Until the sale and delivery of the Bonds issued for the purpose of paying the Construction Costs of a Construction Project Construction Contract, the District shall not have any obligation to repay Developer or Other Parties for any payment of a Construction Cost paid by Developer and after the sale and delivery of the Bonds issued for the purpose of paying the Construction Costs of a Construction Project Construction Contract such obligation shall be limited to the amount of the proceeds of the Bonds issued for the purpose of paying the Construction Costs of a Construction Project Construction Contract available for such purpose.

(b) (i) Any Construction Cost amounts due pursuant to any Construction Project Construction Contract after the sale and delivery of any of the Bonds issued for the purpose of paying the Construction Costs of a Construction Project Construction Contract shall be provided for by the payment of such Construction Cost amounts from, and only from, the proceeds of the sale and delivery of the Bonds issued for the purpose of paying the Construction Costs of a Construction Project Construction Contract.

(ii) Until the sale and delivery of the Bonds issued for the purpose of paying the Construction Costs of a Construction Project Construction Contract, the District shall have no obligation to pay such Construction Costs. Neither the District nor the Municipality shall be liable to Developer or Other Parties for payment of any such Construction Costs. No representation or warranty is given by the District or District Board that the Bonds can be sold by the District, or that sufficient proceeds from the sale of the Bonds shall be available to pay such Construction Costs.

(c) If the Bonds are not issued or if the proceeds of the sale of the Bonds are insufficient to pay any or all of the amounts described in Subsections (a) or (b), there shall be no recourse to the District or the Municipality and the District and the Municipality shall have no liability with respect to any Construction Project Construction Contract, except, the District shall be liable for payment only from the proceeds of the sale of the Bonds. Nothing contained in this Section 5.2 shall obligate the Municipality to pay for any Construction Cost from any monies of the Municipality.

## ARTICLE VI

### MATTERS RELATING TO THE BONDS AND OTHER OBLIGATIONS OF THE DISTRICT

**Section 6.1** (a) Upon the submission of a Report, and upon a date established by the District Manager, the District Board shall, in its sole, unfettered discretion, take all such reasonable action necessary for the District to consider the approval or rejection of the Report, and if approved, issue and sell the Bonds, pursuant to the terms as may be established by the District Board in connection with its approval of the Report (the "Approval"), and the provisions of the CFD Guidelines and the Act.

(b) Any Bonds may be sold in one or several series, in an amount sufficient (i) to repay payments made by the Developer for or to pay directly therefrom the Segment Prices for the Acquired Infrastructure and/or Construction Costs relating to any Construction Project Construction Contract for the Constructed Infrastructure, in each case as established pursuant hereto and in the Approval (hereinafter referred to as the "Work") which shall be based on the estimated costs and expenses indicated in the Report or the Approval (hereinafter referred to as the "Estimate"), (ii) to pay all other amounts indicated in this Agreement, (iii) to pay all relevant issuance costs related to the applicable series of the Bonds, (iv) to pay capitalized interest for a period not in excess of that permitted by the Act and described in the Report or Approval, and (v) to the extent permitted by law, to fund a debt service reserve fund in an amount not in excess of that permitted by the Act and described in the Report or Approval (collectively, the "Financeable Amount").

(c) (i) Assessment Bonds shall be special assessment lien bonds payable from amounts collected from, among other sources, the hereinafter described special assessment (referred to as originally levied and as thereafter may be reallocated as described herein as the "Assessments").

(ii) The Assessments shall be based on the Financeable Amount indicated in the Report or the Approval. None of the Acquisition Project Construction Contracts or the Construction Project Construction Contracts applicable to the Work shall be required to be bid or awarded as a prerequisite to the levying of the Assessments.

(iii) The Assessments shall be levied pursuant to the procedures prescribed by Sections 48-576 through 48-589, Arizona Revised Statutes, as amended, as nearly as practicable or such other procedures as the District provides.

(iv) In the event of nonpayment of the Assessment, the procedures for collection thereof and sale of the applicable portion of the Property prescribed by Sections 48-601 through 48-607, Arizona Revised Statutes, as amended, shall apply, as nearly as practicable, except that neither the District nor the Municipality is required to purchase any of the Property at the sale if there is no other purchaser.

(v) To prepay, from property landowner payments, in whole or in part the applicable portion of the Assessment, on any interest payment date, the following shall be paid in cash to the District: (A) the interest on such portion to the next date Bonds may be redeemed plus (B) the unpaid principal amount of such portion rounded up to the next highest multiple of the lowest authorized denomination of the Bonds plus (C) any premium due on such redemption date with respect to such portion plus (D) any administrative or other fees charged by the District with respect thereto less (E) the amount by which the reserve described in Section 6.2(d) may be reduced on such redemption date as a result of such prepayment.

(vi) The Developer and Other Parties hereby acknowledge that lenders and other parties involved in financing future improvements on the Property (including mortgages for single family residences) may require that liens associated with the Assessment (or applicable portions thereof) be paid and released prior to accepting a lien with respect to any such financing.

(vii) This Agreement shall be construed to be an express consent by the Developer and Other Parties that (A) the District Board may designate the boundaries of an Assessment area consistent with the Report and Approval; (B) the District may, with respect to the Property, incur costs and expenses necessary to complete the Work provided that the Work is a part of a Construction Project, and (C) the District may levy and collect the Assessments in amounts sufficient to pay all costs and expenses of the Financeable Amount, including the Work.

**Section 6.2** (a) The terms and provisions of the Assessment Bonds and the manner of sale shall be established by the CFD Guidelines, except as such CFD Guidelines are modified by this Agreement or the Approval.

(b) At the time of sale of the Assessment Bonds, an appraisal in form and substance satisfactory to the District, in its sole and absolute discretion, and prepared by an MAI appraiser (the "Appraisal") must show that the wholesale bulk value of each assessed parcel of land in any assessment area (as improved by the public infrastructure described in the relevant Report) is worth at least six times (in the case of a public sale of Assessment Bonds) and four times (in the case of a sale of the Assessment Bonds to qualified institutional buyers [as defined in Rule 144A as amended] or accredited investors [as defined in Rule 501(a), Regulation A, as amended]) as much as the principal amount of the Assessment Bonds that has been assessed, to each parcel. If the aforementioned ratios are not achieved, the District at its sole discretion may accept additional collateral from the Developer in sufficient amount to cover the portion of the Bonds not supported by the value-to-lien ratio. The bond proceedings shall provide for the release of the additional collateral once the value-to-lien ratios have been achieved as demonstrated to the District by a MAI appraisal or such other evidence satisfactory to the District, exercising its sole discretion.

(c) At the time of sale of the Assessment Bonds, Developer shall provide or cause to be provided financial assurances in the form of escrowed cash, bonds, letter of credit or other similar assurances, accessible by the District and in each case in form acceptable to the District Manager, for amounts necessary to pay all costs and expenses associated with providing

all the public infrastructure purposes described in the Report as well as any unpaid costs and expenses of issuance of the Assessment Bonds not paid or payable from the proceeds of the sale of the Assessment Bonds because such proceeds are insufficient in amount for such purposes. The foregoing is not intended to limit the right of Developer to reimbursement for any amount advanced in excess of the proceeds from the sale of the Assessment Bonds if the District is able to finance such amount from other or future Assessment Bond proceeds, and the District and the Municipality shall reasonably cooperate with Developer in preserving the right to any such future reimbursement.

(d) The "sale proceeds" of the sale of the Assessment Bonds shall include an amount sufficient to fund a reserve to secure payment of debt service on the Assessment Bonds. Payment from such reserve shall not effect a reduction in the amount of the Assessment, and any amount collected with respect to the Assessment thereafter shall be deposited to such reserve to the extent the Assessment is so paid therefrom.

**Section 6.3** (a) Proceeds of G.O. Bonds may be used for any purpose permitted by the Act. The terms and provisions of the G.O. Bonds and the manner of sale shall be established by the CFD Guidelines, except as such CFD Guidelines are modified by, or inconsistent with, this Agreement or the Approval.

(b) The District may annually levy and collect an ad valorem tax upon all taxable property in the District which shall be sufficient after giving prudent consideration to other funds available to the District to pay when due the principal of, interest on and premium, if any, on the G.O. Debt (as hereinafter defined) incurred by the District to finance the construction or acquisition of public infrastructure.

(c) No indebtedness (indebtedness shall not include maintenance, administrative or operation expenses) secured by a pledge of ad valorem taxes, including, but not limited to, G.O. Bonds (collectively hereinafter referred to as "G.O. Debt"), shall be incurred unless ninety-five percent (95%) of the amount of ad valorem taxes estimated to be collected at a tax rate of not greater than three dollars (\$3.00) per one hundred dollars (\$100.00) of the secondary assessed value of the taxable property within the District, is sufficient to pay the highest combined debt service requirements for the proposed G.O. Debt and any other G.O. Debt outstanding. The secondary assessed value of the taxable property shall, for purposes of this paragraph, be equal to the value at the time of the issuance of the proposed G.O. Debt as shown in the records of the County Assessor. Notwithstanding the foregoing or any other provision of this Agreement, G.O. Debt may be authorized by the District Board in its sole discretion, for situations where a tax rate greater than three dollars (\$3.00) per one hundred dollars (\$100.00) of secondary assessed value of taxable property would be necessary to pay the highest combined debt service of the proposed and outstanding G.O. Debt, if other sources of revenue or additional security acceptable to the District Board are pledged to pay debt service on the G.O. Debt in an amount that, when combined with the taxes collected at three dollars (\$3.00) tax rate or less, provides a sufficient amount to pay the highest combined debt service of the proposed and outstanding G.O. Debt.

(d) At the time of sale of the G.O. Bonds, the full cash value of the taxable property in the District as shown in the records of the County Assessor shall be at least four (4) times the principal amount of the G.O. Bonds to be issued and the outstanding G.O. Debt.

**Section 6.4** The following requirements are hereby established and required with respect to any financing by the District.

(a) Except as permitted below, the Bonds (Assessment Bonds or G.O. Bonds) shall be sold only to accredited investors (as defined in Rule 501(a), Regulation D as amended) or qualified institutional buyers (as defined in Rule 144A, as amended). Secondary transfers of the Bonds will be permitted upon satisfaction of conditions satisfactory to the District. Any transfer restrictions will automatically terminate upon: with respect to any Bonds, the rating of the Bonds by a national rating agency of "A" or better, or, with respect to Assessment Bonds, the appraised value as required by Section 6.2(b) of each parcel of real property subject to assessment has a value to lien ratio greater than 6 to 1 (including in the amounts of all overlapping special assessment liens).

(b) Any disclosure document prepared in connection with the offer or sale of Bonds must clearly indicate that neither the Municipality nor the State of Arizona or any political subdivision of either (other than the District) shall be liable for the payment or repayment of any obligation, liability, bond or indebtedness of the District, and neither the credit nor the taxing power of the Municipality, the State of Arizona, or any political subdivision of either (other than the District in the case of G.O. Bonds) shall be pledged therefor.

(c) A disclosure document must be provided by Developer or Developer's successor to each potential purchaser of a residential lot within the District disclosing the existence of an Assessment or tax (assuming such Assessment or tax remains at the time of sale to the potential purchaser). Each potential purchaser must acknowledge in writing that the purchaser received and understood the disclosure document. The District shall maintain records of the written acknowledgments. To provide evidence satisfactory to the District Board that any prospective purchaser of land within the boundaries of the District has been notified that such land is within the boundaries of the District and that the Bonds may be then or in the future outstanding, a disclosure pamphlet containing substantially the information contained in the form of Exhibit "D" hereto (the "Pamphlet") shall be produced; provided, however, that the Pamphlet may be modified as necessary in the future to adequately describe the District and the Bonds and source of payment for debt service therefor as agreed by the District Board and Developer.

(d) Each Obligated Person (as defined in Section 240.15c2-12, General Rules and Regulations, Securities Exchange Act of 1934 (the "Rule")) shall execute and deliver, and thereafter comply with and carry out all the provisions of, a "Continuing Disclosure Undertaking" with respect to the Bonds which shall be in a form satisfactory to the District and the purchaser of the Bonds for such purchaser to comply with the requirements of the Rule. Obligated Person shall include any entity liable for payment of 20% or more of the debt service on any Bonds, but shall exclude any entity excluded by the Rule or SEC interpretation of the Rule.

## ARTICLE VII

### ACCEPTANCE BY THE MUNICIPALITY; MAINTENANCE; APPLICABILITY OF THE INTERGOVERNMENTAL AGREEMENT ACT

**Section 7.1** Upon satisfaction of the terms for acceptance set forth in this Agreement, and simultaneously with the payment of the related Segment Price or Construction Cost of a Construction Project, the Segment of Acquired Infrastructure or the Construction Project, as the case may be, shall be accepted by the Municipality, subject to the conditions pursuant to which facilities such as the Segment, the Construction Project, as the case may be, are typically accepted by the Municipality and thereafter shall be made available for use by the general public. Notwithstanding any acceptance or dedication of any Construction Project or Acquired Infrastructure comprised of landscaping, retention or detention areas, unless otherwise expressly agreed to in writing or with respect to the Regional Park (as defined in Section 7.2), neither the District nor the Municipality shall have an obligation to maintain, repair or otherwise provide service to any landscaping, such obligation and cost shall be borne by the Developer or its assignee.

**Section 7.2** (a) The parties agree that the term "District Administrative Expenses" shall include all the operating and administrative costs and expenses of the District, including but not limited to, the costs and expenses of any professional retained pursuant to Section 1.2 of this Agreement. District Administrative Expenses will not include any costs or expenses paid by the District from revenues or taxes collected to pay the Debt Service (as such term is defined in the Act) on any Bonds of the District. District Administrative Expenses may include Municipality Overhead.

(b) The parties agree that the term "District Maintenance Expenses" shall include all maintenance and operational costs and expenses, including a Replacement Reserve Amount, of any Segment, Construction Project or other public improvement or purpose financed by the District. District Maintenance Expenses shall include Municipality Overhead, but, except pursuant to Section 7.3(a), shall not include the operation and maintenance expenses associated with the approximate 30-acre park located in the District, if such park is a regional park owned and operated by the municipality pursuant to the terms of the Development Agreement and is District Financed Infrastructure ("Regional Park").

The parties agree that the term "Replacement Reserve" Amount shall mean an amount calculated using reasonable accounting practices based on the useful life of the various assets established by the Internal Revenue Code. The Reserve Replacement Amount shall include and be limited to a replacement or depreciation reserve for the following improvements financed by the District, provided the Municipality has established and funded similar replacement or depreciated reserves for substantially all like kind capital public improvements not financed by the District: (i) water system improvements, other than transmission lines, (ii) sewer treatment facilities, including improvements, relating to the disposal of solids, but excluding the Municipality's wastewater treatment plant or expansions thereto and collection lines, and (iii) any other depreciable capital public improvements.

With respect to District Maintenance Expenses relating to the water system and sewer system utility enterprises, such applicable District Maintenance Expenses shall be reduced by the amount of water or sewer system revenues received from the consumers located in the District. To the extent that the Municipality or the District establish rates for water or sewer services within the District that are less than rates charged elsewhere in the Municipality, the amount of revenues deemed received from consumers located in the District shall be computed as though the rates charged to such consumers were the same as the rates charged elsewhere in the Municipality.

(c) The parties agree that the term "Enhanced Maintenance Expenses" shall mean all District Maintenance Expenses attributable to any Segment, Construction Project or other public improvement financed by the District or part thereof, other than water improvements or sewer treatment facilities, that are in excess of the maintenance and operational expenses normally incurred by the Municipality in connection with maintaining or operating a similar public service or improvement (the "Standard Municipality Expense"). The Standard Municipality Expense will be established by the Municipality using actual historical costs and expenses and the Municipality's management/accounting practices. By example and not as a limitation, the Municipality will establish its Standard Municipality Expense related to right-of-way landscaping and if the Developer installs enhanced landscaping, other than at the request of the Municipality, the costs and expenses in excess of the Standard Municipality Expense incurred to maintain the landscaping shall constitute Enhanced Maintenance Expenses.

In establishing the Standard Municipality Expenses, the Municipality shall annually review its actual costs, excluding the actual costs in the District or any other community facilities district providing enhanced services or public improvements. Enhanced Maintenance Expenses shall not include maintenance and operation expenses attributable to enhanced public service levels or public improvements if such enhanced public service levels or public improvements were imposed on the Developer by the Municipality and the Developer would have not otherwise provided such enhancements.

(d) District Administrative Expenses and District Maintenance Expenses shall include a charge by the Municipality to the District for: (i) the reasonable cost of Municipality services provided directly to the District, and (ii) Municipality overhead expenses allocated to the District ("Municipality Overhead"). Any charge of Municipality Overhead to the District shall be made by the Municipality pursuant to sound management/accounting practices consistently applied by the Municipality in allocating costs, expenses and funded depreciation reserves to its service areas, departments or special projects. Developer shall have the right to review and comment to the Municipality upon the allocation practices and methodologies used in allocating Municipality Overhead and have the right, at Developer's expense and during normal business hours, to review the Municipality's records to verify the costs and expenses of the Municipality.

**Section 7.3** (a) The District Board shall levy and collect a maintenance and operation ad valorem tax not to exceed thirty cents (\$.30) per one hundred dollars (\$100.00) of assessed valuation on all taxable property within the District ("O&M Tax"). To the extent the

proceeds from the O&M Tax exceed the expenses and costs described in this Article VII, either the excess O&M Tax may be used to fund the operation and maintenance of the Regional Park or the O&M Tax shall be reduced to provide a proper matching of proceeds to expenses.

(b) The proceeds of the O&M Tax may be used by the District for any lawful maintenance, operational or administrative purpose as provided in the Act. While the Developer is obligated to pay any amounts pursuant to Section 7.4 of this Agreement, the O&M Tax shall be applied only to the following expenses and in the following priority: (i) payment of District Administrative Expenses; (ii) payment of Enhanced Maintenance Expenses; (iii) payment of District Maintenance Expenses, other than District Maintenance Expenses described in Section 7.4(a)(i) below; and (iv) District Maintenance Expenses described in Section 7.4(a)(i) below.

(c) (a) Notwithstanding the levy and collection of the O&M Tax or the dedication and acceptance by the District or Municipality of any Segment, Construction Project or other public improvement or purpose financed by the District, Developer, or a Developer's association ("HOA") is, to the satisfaction of the District in its sole discretion, legally obligated to pay and is financially capable of bearing the costs, shall pay the following expenses to the extent all or part of such expenses are not paid by O&M Tax: (i) the District Administrative Expenses; (ii) the Enhanced Maintenance Expenses; and (iii) the District Maintenance Expenses, other than Enhanced Maintenance Expenses.

Notwithstanding the foregoing, the Developer or HOA, as applicable, shall not be obligated to pay the District Maintenance Expenses (other than Enhanced Maintenance Expenses) after the date ninety-five percent (95%) of the residential dwelling units served or benefited by the particular Segment, Construction Project or other public improvement financed by the District have received certificates of occupancy (the "95% Occupancy Test"). The District or Municipality, with the participation of the Developer's engineer, shall establish at the time of the submission of the Report boundaries of the served or benefited area (the "Benefit Area") for each Segment or Construction Project.

Further, notwithstanding the foregoing, the Developer shall not be obligated to pay the amounts owing pursuant to Section 7.4(b) for any public improvements or purposes financed by the District in response to a Report submitted by the District or a third party other than the Developer, provided however, Developer as a member of a group of either taxpayers or assessed parcel Developers who, as a result of a uniformly applied tax or assessment methodology is liable for payments relating to improvements financed in response to a Report submitted by the District, shall have all rights and obligations established by the proceedings, including the right to protest and the obligation to pay amounts owed.

(d) While the Developer's obligations under Section 7.4(b) are in effect, District Maintenance Expenses shall not include expenses related to street maintenance of streets within a Benefit Area that has satisfied the 95% Occupancy Test.

**Section 7.4** Notwithstanding any other provision of this Agreement to the contrary, the provisions of Article V, Article VII, Sections 8.1, 9.1 and 10.3 through 10.19,

inclusive, are the only provisions that are effective for, from and against the Municipality for purposes of the Intergovernmental Agreement Act and as the Intergovernmental Agreement Act is intended to be applied for purposes of this Agreement.

## ARTICLE VIII

### INDEMNIFICATION AND INSURANCE

**Section 8.1** (a) The Developer and/or such other financially capable entity as may be required by the Municipality or District, in their sole discretion, (1) shall indemnify and hold harmless the Municipality and the District and each council member, director, trustee, partner, member, officer, official, independent contractor or employee thereof and each person, if any, who controls the Municipality and/or the District within the meaning of the Securities Act of 1933, as amended (hereinafter the Securities Act of 1933 and the Securities Exchange Act of 1934 are referred to as the "Securities Acts"), (any such person being herein sometimes called an "Indemnified Party") for, from and against any and all losses, claims, damages or liabilities, joint or several, relating to: (i) the formation, activities or administration of the District; (ii) the levy and collection of any tax or assessment; (iii) the offer or sale of any Bonds; (iv) the claims of any contractor, vendor, subcontractor or supplier under any Acquisition Project Construction Contract or Construction Project Construction Contractor, or (v) or the carrying out of the provisions of this Agreement, including particularly but not by way of limitation (A) any Acquisition Project, Acquisition Project Construction Contract, and Construction Project, (B) any claim, loss, lawsuit, administrative action or other challenge to which any such Indemnified Party may become subject, under the Securities Acts or any other statute or regulation at law or in equity or otherwise, including but not limited to, losses, claims, damages or liabilities (or actions in respect thereof) arising out of or based upon any untrue statement or alleged untrue statement of a material fact set forth in any offering document relating to the Bonds, or any amendment or supplement thereto, or arising out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or which is necessary to make the statements therein, in light of the circumstances in which they were made, not misleading in any material respect, or (C) to the extent of the aggregate amount paid in any settlement of any litigation commenced or threatened arising from a claim based upon any such untrue statement or alleged untrue statement or omission or alleged omission if such settlement is effected with the written consent of the Developer (which consent shall not be unreasonably withheld); and (2) shall, subject to the Developer's rights to defend in (c) below, reimburse any legal or other expenses reasonably incurred by any such Indemnified Party in connection with investigating or defending any such loss, claim, damage, liability or action.

(b) This Section shall not be applicable to matters involving any gross negligence or willful misconduct of any Indemnified Party.

(c) An Indemnified Party shall, promptly after the receipt of notice of a written threat of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against the Developer, notify the Developer in writing of the commencement thereof and provide a copy of the written threat received by such Indemnified

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

**ARTICLE IX**

**[RESERVED]**

## ARTICLE X

### MISCELLANEOUS

**Section 10.1** None of the Municipality, the District nor the Developer shall knowingly take, or cause to be taken, any action which would cause interest on any Bond to be includable in gross income for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended.

**Section 10.2** (a) To provide evidence satisfactory to the District Manager that any prospective purchaser of land within the boundaries of the District has been notified that such land is within the boundaries of the District and that the Bonds may be then or in the future outstanding, the Pamphlet shall be produced; provided, however, that the Pamphlet may be modified as necessary in the future to adequately describe the District and the Bonds and source of payment for debt service therefor as agreed by the District Manager and the Developer.

(b) The Developer shall require that each homebuilder to whom the Developer has sold land shall:

(i) provide the Pamphlet to any prospective purchaser of land;

(ii) cause any purchaser of land to sign a disclosure statement upon entering into a contract for purchasing such land, such disclosure statement to acknowledge receipt of a copy of the Pamphlet and to disclose the effect of the special assessments on the District of the Bonds in a form reasonably acceptable to the District Manager;

(iii) provide a copy of each fully executed disclosure statement to be filed with the District Manager; and

(iv) provide such information and documents, including audited financial statements to the District, but only to the extent necessary for the District's compliance with Rule 15c2-12 of the Securities Exchange Act of 1934.

**Section 10.3** This Agreement shall be binding upon and shall inure to the benefit of the parties to this Agreement and their respective legal representatives, successors and assigns; provided, however, that none of the parties hereto shall be entitled to assign its right hereunder or under any document contemplated hereby without the prior written consent of the other parties to this Agreement, which consent shall not be unreasonably withheld.

**Section 10.4** Each party hereto shall, promptly upon the request of any other, have acknowledged and delivered to the other any and all further instruments and assurances reasonably requested or appropriate to evidence or give effect to the provisions of this Agreement.

**Section 10.5** This Agreement, by and among the Municipality, the District and the Developer sets forth the entire understanding of the parties as to the matters set forth herein as of the date this Agreement is executed and cannot be altered or otherwise amended except pursuant to an instrument in writing signed by each of the parties hereto. This Agreement is intended to reflect the mutual intent of the parties with respect to the subject matter hereof, and no rule of strict construction shall be applied against any party.

**Section 10.6** [RESERVED].

**Section 10.7** This Agreement shall be governed by and interpreted in accordance with the laws of the State of Arizona.

**Section 10.8** The waiver by any party hereto of any right granted to it under this Agreement shall not be deemed to be a waiver of any other right granted in this Agreement nor shall the same be deemed to be a waiver of a subsequent right obtained by reason of the continuation of any matter previously waived under or by this Agreement.

**Section 10.9** This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed to be an original, but all of which taken together shall constitute one of the same instrument.

**Section 10.10** Pursuant to and for purposes of Section 38-511, Arizona Revised Statutes, as amended, the Municipality and the District may, within three years after its execution, cancel this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Municipality or the District, respectively, is, at any time while this Agreement is in effect, an employee or agent of the Developer in any capacity or a consultant to any other party of this Agreement with respect to the subject matter of this Agreement and may recoup any fee or commission paid or due any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Municipality or the District, respectively, from the Developer arising as the result of this Agreement. The Developer has not taken and shall not take any action which would cause any person described in the preceding sentence to be or become an employee or agent of the Developer in any capacity or a consultant to any party to this Agreement with respect to the subject matter of this Agreement.

**Section 10.11** The term of this Agreement shall be as of the date of the execution and delivery hereof by each of the parties hereto and shall expire upon the earlier of the agreement of the District, the Municipality and the Developer to the termination hereof, the dissolution of the District (which the parties hereto shall, to the extent permitted by applicable law, cause to occur as soon as practicable after the later of the issuance of the Bonds and the payment in full or provision for payment in full of the Bonds) and June 1, 2050.

**Section 10.12** All notices, certificates or other communications hereunder (including in the Exhibits hereto) shall be sufficiently given and shall be deemed to have been

received 48 hours after deposit in the United States mail in registered or certified form with postage fully prepaid addressed as follows:

If to the Municipality:	Joseph Blanton, Town Manager Town of Buckeye 100 North Apache, Suite A Buckeye, Arizona 85326
If to the District:	Joseph Blanton, Town Manager Town of Buckeye 100 North Apache, Suite A Buckeye, Arizona 85326
With a copy to:	Scott W. Ruby, Esq. Gust Rosenfeld, P.L.C. 201 E. Washington, Suite 800 Phoenix, Arizona 85004-2327
If to the Developer:	Roston Company, L.L.C. 300 Carlsbad Village Drive, Suite 223 Carlsbad, California 92208
With a copy to:	Dana Stagg Belknap Gallagher & Kennedy, P.A. 2575 East Camelback Road Phoenix, Arizona 85016

Any of the foregoing, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

**Section 10.13** If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision thereof.

**Section 10.14** The headings or titles of the several Articles and Sections hereof and in the Exhibits hereto, and any table of contents appended to copies hereof and thereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Agreement. All references herein to "Exhibits," "Articles," "Sections," and other subdivisions are to the corresponding Exhibits, Articles, Sections or subdivisions of this Agreement; the words "herein," "hereof," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Exhibit, Article, Section or subdivision hereof.

**Section 10.15** This Agreement does not relieve any party hereto of any obligation or responsibility imposed upon it by law.

**Section 10.16** No later than ten (10) days after this Agreement is executed and delivered by each of the parties hereto, the Developer shall on behalf of the Municipality and the District record a copy of this Agreement with the County Recorder of Maricopa County, Arizona.

**Section 10.17** Unless otherwise expressly provided, the representations, covenants, indemnities and other agreements contained herein shall be deemed to be material and continuing, shall not be merged and shall survive any conveyance or transfer provided herein.

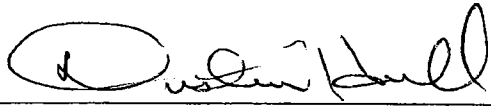
**Section 10.18** If any party hereto shall be unable to observe or perform any covenant or condition herein by reason of "force majeure," then the failure to observe or perform such covenant or condition shall not constitute a default hereunder so long as such party shall use its best efforts to remedy with all reasonable dispatch the event or condition causing such inability and such event or condition can be cured within a reasonable amount of time. "Force majeure," as used here, means any condition or event not reasonably within the control of such party, including, without limitation, acts of God; strikes, lockouts, or other disturbances of employer/employee relations; acts of public enemies; orders or restraints of any kind of the government of the United States or any State thereof or any of their departments, agencies, or officials, or of any civil or military authority; insurrection; civil disturbances; riots; epidemics; landslides; lightning; earthquakes; subsidence; fires; hurricanes; storms; droughts; floods; arrests; restraints of government and of people; explosions; and partial or entire failure of utilities. Failure to settle strikes, lockouts and other disturbances of employer/employee relations or to settle legal or administrative proceedings by acceding to the demands of the opposing party or parties, in either case when such course is in the judgment of the party hereto unfavorable to such party, shall not constitute failure to use its best effort to remedy such a condition or event.

**Section 10.19** Whenever the consent or approval of any party hereto, or of any agency therefor, shall be required under the provisions hereof, such consent or approval shall not be unreasonably withheld, conditioned or delayed.

**Section 10.20** The Other Parties join in the execution of this Agreement solely for the purposes of: binding their respective interests in lands within the District, consenting to all matters agreed to herein by Developer, accepting taxes as provided in this Agreement, and conveying property as provided in this Agreement. The Other Parties obligate themselves to any affirmative obligations in this Agreement only where expressly set forth herein.

IN WITNESS WHEREOF, the officers of the Municipality and of the District have duly affixed their signatures and attestations, and the officers of the Developer their signatures, all as of the day and year first written above.

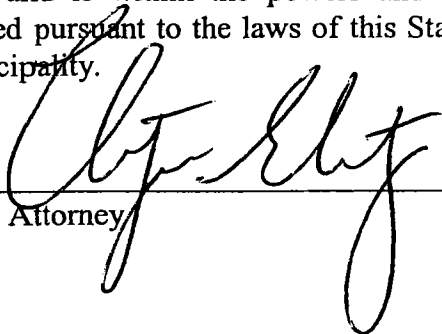
TOWN OF BUCKEYE, ARIZONA

By   
Mayor

ATTEST:

  
Town Clerk


Pursuant to A.R.S. Section 11-952(D), this Agreement has been reviewed by the undersigned attorney for the Municipality who has determined that this Agreement is in proper form and is within the powers and authority granted pursuant to the laws of this State to the Municipality.

  
Town Attorney

WESTPARK  
COMMUNITY FACILITIES DISTRICT  
(BUCKEYE, ARIZONA)

By   
Chairman, District Board

ATTEST:

  
District Clerk

Pursuant to A.R.S. Section 11-952(D), this Agreement has been reviewed by the undersigned attorney for the District, who has determined that this Agreement is in proper form and is within the powers and authority granted pursuant to the laws of this State to the District.

District Counsel

State of Arizona

County of Maricopa

The foregoing instrument was acknowledged before me this 5<sup>th</sup> day of August, 2003, by Dustin Hull, as Mayor of the Town of Buckeye, Arizona, a municipal corporation under the laws of the State of Arizona.

Notary Public

My commission expires:

March 31, 2005



State of Arizona

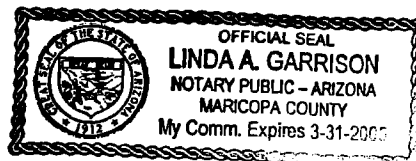
County of Maricopa

The foregoing instrument was acknowledged before me this 5<sup>th</sup> day of August, 2003, by Dustin Hull, as Chairman of the District Board of Westpark Community Facilities District (Buckeye, Arizona), an Arizona community facilities district.

Notary Public

My commission expires:

March 31, 2005



ROSTON COMPANY, L.L.C., a  
Nevada limited liability company

By *Charles W. Mehlberger*  
Its MANAGER

*Jim*  
California )  
State of ~~Arizona~~ )  
San Diego )  
County of ~~Maricopa~~ )

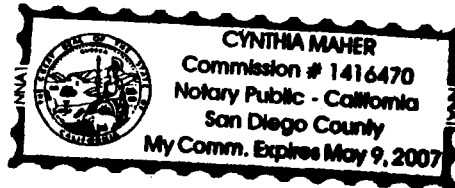
On this day, personally appeared before me Charles W. Mehlberger, as  
Manager of Roston Company, L.L.C., who is known to me to be the person  
whose name is above subscribed, and after being first duly sworn, acknowledged upon her/his  
oath that she/he executed the foregoing for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal on  
July 14, 2003.

*Cynthia Maher*  
Notary Public

My commission expires:

May 9, 2007



DONROS, L.L.C., a Nevada limited liability company, dba Donros Development, L.L.C.

By *Charles W. Mehlberger*  
Its *CFO*

*California*  
State of Arizona )  
*San Diego*  
County of *Maricopa* )

On this day, personally appeared before me *Charles W. Mehlberger* as *CFO* of Donros, L.L.C., who is known to me to be the person whose name is above subscribed, and after being first duly sworn, acknowledged upon ~~her~~ his oath that ~~she~~ he executed the foregoing for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal on *July 14, 2003.*

*Cynthia Maher*  
Notary Public

My commission expires:

*May 9, 2007*



CONSENT AND AGREEMENT

Reference is made to that certain Development, Financing Participation and Intergovernmental Agreement No. 1 for Westpark Community Facility District (Buckeye, Arizona), dated as of \_\_\_\_\_, 2003, by and among the Town of Buckeye, Arizona, the Westpark Community Facilities District, and Donros LLC, to which this Consent and Agreement is attached (the "Development Agreement"). All capitalized terms used and not otherwise defined in this Consent and Agreement shall have the meanings set forth in this Development Agreement. The undersigned, as one of the "Other Parties" having an interest in the real property within the District hereby consents to the Development Agreement, acknowledges that the Development Agreement shall bind all real property in which the undersigned has an interest within the District, and authorizes the recordation of the Development Agreement with respect to all such real property. In no event, however, shall anything in this Consent and Agreement constitute a personal assumption by the undersigned of the obligations of the Developer under the Development Agreement.

Donner Management Co., Inc.,  
a Nevada corporation

By: Charles H. Greed  
Its: PRESIDENT

B Bar G Farms Limited Partnership,  
an Arizona limited partnership

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

C & S Buckeye RID LLC,  
an Arizona limited liability company

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

CKS Buckeye LLC,  
an Arizona limited liability company

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

Charles F. Youngker and Son Limited  
Partnership, an Arizona limited partnership

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

CONSENT AND AGREEMENT

Reference is made to that certain Development, Financing Participation and Intergovernmental Agreement No. 1 for Westpark Community Facility District (Buckeye, Arizona), dated as of \_\_\_\_\_, 2003, by and among the Town of Buckeye, Arizona, the Westpark Community Facilities District, and Donros LLC, to which this Consent and Agreement is attached (the "Development Agreement"). All capitalized terms used and not otherwise defined in this Consent and Agreement shall have the meanings set forth in this Development Agreement. The undersigned, as one of the "Other Parties" having an interest in the real property within the District hereby consents to the Development Agreement, acknowledges that the Development Agreement shall bind all real property in which the undersigned has an interest within the District, and authorizes the recordation of the Development Agreement with respect to all such real property. In no event, however, shall anything in this Consent and Agreement constitute a personal assumption by the undersigned of the obligations of the Developer under the Development Agreement.

Donner Management Co., Inc.,  
a Nevada corporation

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

B Bar G Farms ~~Limited Partnership~~, LLLP  
an Arizona limited partnership liability limited partnership

By: Majius, L.L.C., general partner  
By: Grace A. Youngker  
Its: Manager

C & S Buckeye RID LLC,  
an Arizona limited liability company

By: Grace A. Youngker  
Its: Manager

~~CKT~~ <sup>Y C.Y.</sup> Buckeye LLC,  
an Arizona limited liability company

By: Charles F. Youngker  
Its: President

CHARLES F. YOUNGKER & SON LIMITED PARTNERSHIP, an Arizona limited partnership  
By: CKT FARMS, INC., an Arizona corporation, general partner

Charles F. Youngker and Son Limited Partnership, an Arizona limited partnership

By: Charles F. Youngker  
Its: Manager

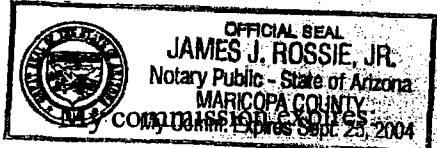
CKY BUCKEYE, L.L.C., an Arizona limited liability company

State of Arizona )  
 )  
County of Maricopa )

On this day, personally appeared before me GRACE A. Youngker, as <sup>to</sup> manager of [unclear] LLC general partner of B Bar & [unclear] P/S, who is known to me to be the person whose name is above subscribed, and after being first duly sworn, acknowledged upon her/his oath that she/he executed the foregoing for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal on July 21, 2003.

[Signature]  
Notary Public



State of Arizona )  
 )  
County of Maricopa )

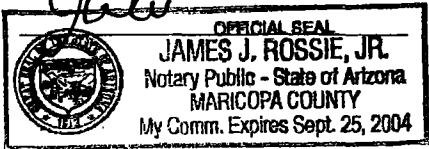
On this day, personally appeared before me CHARLES F. Youngker, as manager of C & S Bucking LLC, who is known to me to be the person whose name is above subscribed, and after being first duly sworn, acknowledged upon her/his oath that she/he executed the foregoing for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal on July 25, 2003.

[Signature]  
Notary Public

My commission expires:

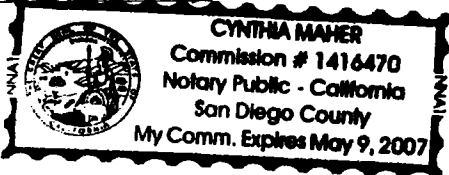
July



California <sup>Grin</sup>  
State of Arizona )  
San Diego )  
County of Maricopa )

On this day, personally appeared before me Charles H. Greer, as President of Donner Mgmt, who is known to me to be the person whose name is above subscribed, and after being first duly sworn, acknowledged upon ~~her~~ his oath that ~~she~~ he executed the foregoing for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal on July 14, 2003.



Cynthia Maher  
Notary Public

My commission expires:

\_\_\_\_\_  
State of Arizona )  
 )  
County of Maricopa )

On this day, personally appeared before me \_\_\_\_\_, as \_\_\_\_\_ of \_\_\_\_\_, who is known to me to be the person whose name is above subscribed, and after being first duly sworn, acknowledged upon her/his oath that she/he executed the foregoing for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal on \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My commission expires:

\_\_\_\_\_  
State of Arizona )  
 )  
County of Maricopa )

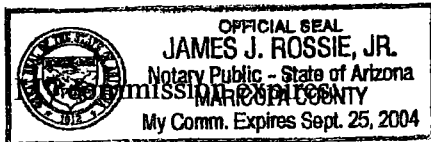
On this day, personally appeared before me \_\_\_\_\_, as \_\_\_\_\_ of \_\_\_\_\_, who is known to me to be the person whose name is

State of Arizona )  
 )  
County of Maricopa )

On this day, personally appeared before me CHARLES F. YOUNGKER, as Manager of Buckeye LLC, who is known to me to be the person whose name is above subscribed, and after being first duly sworn, acknowledged upon her/his oath that she/he executed the foregoing for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal on July 25, 2003.

[Signature]  
Notary Public



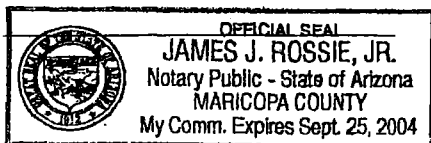
State of Arizona )  
 )  
County of Maricopa )

On this day, personally appeared before me Cluck. K. Youngker, as President of CKT Farms and general partner of Charles F. Youngker + Sons, LLC, who is known to me to be the person whose name is above subscribed, and after being first duly sworn, acknowledged upon her/his oath that she/he executed the foregoing for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal on July 21, 2003.

[Signature]  
Notary Public

My commission expires:



State of Arizona     )  
                                  )  
County of Maricopa    )

On this day, personally appeared before me \_\_\_\_\_, as  
\_\_\_\_\_ of \_\_\_\_\_, who is known to me to be the person whose name is  
above subscribed, and after being first duly sworn, acknowledged upon her/his oath that she/he  
executed the foregoing for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal on  
\_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My commission expires:

\_\_\_\_\_

## CONSENT AND AGREEMENT

Reference is made to that certain Development, Financing Participation and Intergovernmental Agreement No. 1 for \_\_\_\_\_ Community Facility District (Buckeye, Arizona), dated as of \_\_\_\_\_, 2003, by and among the Town of Buckeye, Arizona, the \_\_\_\_\_ Community Facilities District, and \_\_\_\_\_ to which this Consent and Agreement is attached (the "Development Agreement"). All capitalized terms used and not otherwise defined in this Consent and Agreement shall have the meanings set forth in this Development Agreement. The undersigned \_\_\_\_\_, a \_\_\_\_\_ corporation ("Beneficiary"), is the beneficiary under a Deed of Trust dated \_\_\_\_\_ and recorded \_\_\_\_\_ in Documents No. \_\_\_\_\_ (the "Deed of Trust") covering property proposed to be included in this proposed \_\_\_\_\_ Community Facilities District (Town of Buckeye, Arizona) (the "District. The \_\_\_\_\_, an \_\_\_\_\_ corporation is the Trustee under said Deed of Trust (the "Trustee"). \_\_\_\_\_, a \_\_\_\_\_ corporation is the beneficiary of a beneficial interest under the assignment of said Deed of Trust dated \_\_\_\_\_, recorded \_\_\_\_\_, in Document No. \_\_\_\_\_ ("Beneficiary"). The undersigned, each as one of the "Other Parties" having an interest in the real property within the District to the Development Agreement, acknowledges that the Development Agreement shall bind all real property in which the undersigned has an interest and authorizes the recordation of the Development Agreement with respect to all such real property. In no event, however, shall anything in this Consent and Agreement constitute personal assumption by the undersigned of the obligations of the Developer under the Development Agreement.

[SIGNATURE PAGES TO FOLLOW]

\_\_\_\_\_  
\_\_\_\_\_

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

State of Arizona     )  
                                  )  
County of Maricopa    )

On this day, personally appeared before me \_\_\_\_\_, as trustee of the \_\_\_\_\_ Trust under the \_\_\_\_\_ dated \_\_\_\_\_, is known to me to be the person whose name is above subscribed, and after being first duly sworn, acknowledged upon her/his oath that she/he executed the foregoing for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal on \_\_\_\_\_

\_\_\_\_\_  
Notary Public

My commission expires:  
\_\_\_\_\_

## ATTACHMENTS

- EXHIBIT A -- Legal Description Of Property To Be Included In  
The District
- EXHIBIT B -- Form Of Certificate Of Engineers For Conveyance Of  
Segment Of Project
- EXHIBIT C -- Form Of Conveyance Of Segment Of Project
- EXHIBIT D -- Form Of Disclosure Pamphlet

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

State of Arizona     )  
                                  )  
County of Maricopa   )

On this day, personally appeared before me \_\_\_\_\_, as trustee of the \_\_\_\_\_ Trust under the \_\_\_\_\_ dated \_\_\_\_\_, is known to me to be the person whose name is above subscribed, and after being first duly sworn, acknowledged upon her/his oath that she/he executed the foregoing for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal on \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My commission expires:  
\_\_\_\_\_

**EXHIBIT A**

**LEGAL DESCRIPTION OF PROPERTY**

Continued

PARCEL NO. 1:

That part of the Southwest quarter of Section 19, Township 1 North, Range 3 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, lying North of the Northerly right of way of the Roosevelt Irrigation District Main Canal.

PARCEL NO. 2:

Lots 1 and 2 and the East half of the Northwest quarter of Section 19, Township 1 North, Range 3 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

EXCEPTING THEREFROM a parcel of land situate in the West half of Section 19, Township 1 North, Range 3 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

COMMENCING at the South quarter corner of said Section 19, from which the Southwest corner of said Section 19 bears North 89 degrees 20 minutes 11 seconds West, a distance of 2651.09 feet;

thence North 00 degrees 08 minutes 02 seconds West, along the North-South mid-section line of said Section 19, a distance of 2213.07 feet to the TRUE POINT OF BEGINNING;

thence South 88 degrees 35 minutes 58 seconds West, along the Northerly right-of-way line of the Roosevelt Irrigation District Canal, a distance of 733.47 feet to the beginning of a tangent curve concave Northerly, whose radius point bears North 01 degrees 24 minutes 02 seconds West, a distance of 1220.00 feet;

thence Westerly along said curve to the right and said Northerly right-of-way line, through a central angle of 11 degrees 11 minutes 40 seconds, an arc distance of 238.36 feet to a point of tangency;

thence North 80 degrees 12 minutes 22 seconds West along said Northerly right-of-way line, a distance of 1592.73 feet;

thence North 00 degrees 01 minutes 12 seconds West, a distance of 908.29 feet;

thence South 80 degrees 12 minutes 20 seconds East, a distance of 436.15 feet to the beginning of a tangent curve concave Northerly, whose radius point bears North 09 degrees 47 minutes 41 seconds East, a distance of 1010.00 feet;

thence Easterly and Northeasterly along said curve to the left, through a central angle of 46 degrees 33 minutes 26 seconds, an arc distance of 820.70 feet to the beginning of a compound curve concave Northwesterly, whose radius point bears North 36 degrees 45 minutes 45 seconds West, a distance of 50.00 feet;

thence Northeasterly and Northerly, along said curve to the left, through a central angle of 62 degrees 14 minutes 43 seconds, an arc distance of 54.32 feet to the beginning of a reverse curve concave Southeasterly, whose radius point bears North 80 degrees 59 minutes 32 seconds East, a distance of 120.00 feet;

thence Northerly, Northeasterly, and Easterly, along said curve to the right, through a central angle of 108 degrees 00 minutes 56 seconds, an arc distance of 226.23 feet to the beginning of a reverse curve concave Northerly, whose radius point bears North 09 degrees 00 minutes 28 seconds East, a distance of 50.00 feet;

thence Easterly and Northeasterly along said curve to the left, through a central angle of 62 degrees 14 minutes 43 seconds, an arc distance of 54.32 feet to the beginning of a compound curve concave Northwesterly, whose radius point bears North 53 degrees 14 minutes 15 seconds West, a distance of 1010.00 feet;

thence Northeasterly along said curve to the left, through a central angle of 20 degrees 10 minutes 11 seconds, an arc distance of 355.55 feet to a point of non-tangency;

thence North 89 degrees 51 minutes 58 seconds East, a distance of 966.65 feet to a point on the North-South mid-section line of said Section 19;

thence South 00 degrees 08 minutes 02 seconds East, along said North-South mid-section line, a distance of 1813.64 feet to the TRUE POINT OF BEGINNING.

PARCEL NO. 3:

The Southeast quarter of the Southeast quarter of Section 13, Township 1 North, Range 4 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

EXCEPT that portion described as follows:

A parcel of land situate in a portion of the southeast quarter of section 13, township 1 north, range 4 west and a portion of the southwest quarter of section 18, township 1 north, range 3 west of the Gila and Salt River Base and Meridian, Maricopa county, Arizona, more particularly described as follows:

Commencing at the southeast corner of said section 13, monumented by a nail at a bent rebar, from which the east quarter corner of said section 13, monumented by a spike in concrete, bears as a basis of bearings north  $00^{\circ}07'56''$  east, a distance of 2640.51 feet;

Thence north  $00^{\circ}07'56''$  east, along the easterly line of the southeast quarter of said section 13, a distance of 294.37 feet to the true point of beginning;

Thence north  $80^{\circ}11'12''$  west, a distance of 466.65 feet;

Thence north  $00^{\circ}07'56''$  east, along a line parallel with and 460.00 feet westerly of the easterly line of the southeast quarter of said section 13, a distance of 382.62 feet;

Thence south  $89^{\circ}52'04''$  east, a distance of 460.00 feet to a point lying on the easterly line of the southeast quarter of said section 13;

Thence continuing south  $89^{\circ}52'04''$  east, a distance of 100.00 feet;

Thence south  $00^{\circ}07'56''$  west, along a line parallel with and 100.00 feet easterly of the westerly line of the southwest quarter of said section 18, a distance of 478.15 feet;

Thence north  $80^{\circ}11'12''$  west, a distance of 101.44 feet to the true point of beginning.

PARCEL NO. 4:

The Southwest quarter of the Southeast quarter of Section 13, Township 1 North, Range 4 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

PARCEL NO. 5:

The Southeast quarter of the Southwest quarter of Section 13, Township 1 North, Range 4 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

EXCEPT the Northwest quarter thereof; and

EXCEPT the North three-quarters of the Northeast quarter of the Southeast quarter of the Southwest quarter thereof.

PARCEL NO. 6:

The Northwest quarter of Section 24, Township 1 North, Range 4 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

EXCEPT the West 55 feet thereof; and

EXCEPT the Northwest quarter thereof.

PARCEL NO. 7:

That portion of the Southwest quarter of Section 24, Township 1 North, Range 4 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, lying North of the Roosevelt Irrigation District Main Canal;

EXCEPT the East 10 feet thereof; and

EXCEPT commencing at the Southwest corner of said Section 24;

thence North 89 degrees 58 minutes 17 seconds East along the South line thereof, a distance of 525.00 feet to the POINT OF BEGINNING;

thence North 0 degrees 01 minutes 43 seconds West 50.00 feet;

thence South 89 degrees 58 minutes 17 seconds West 225.00 feet;

thence North 7 degrees 42 minutes 53 seconds West 207.04 feet;

thence North 16 degrees 16 minutes 42 seconds West 519.23 feet;

thence North 7 degrees 28 minutes 44 seconds West 503.59 feet;

thence North 1 degree 09 minutes 31 seconds West 1410.14 feet to the point of ending in the East-West mid-section line of said Section 24.

PARCEL NO. 8:

The East 10 feet of that portion of the Southwest quarter of Section 24, Township 1 North, Range 4 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, lying North of the Roosevelt Irrigation District Main Canal.

PARCEL NO. 9:

The Northeast quarter of Section 24, Township 1 North, Range 4 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

PARCEL NO. 11:

The Southwest quarter of the Southwest quarter of Section 23, Township 1 North, Range 4 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

PARCEL NO. 12:

The North half of the Southwest quarter of Section 23, Township 1 North, Range 4 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

PARCEL NO. 13:

The South half of the Northeast quarter, the North half of the Southeast quarter, and that part of the South half of the Southeast quarter of Section 23, Township 1 North, Range 4 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, lying North of the Roosevelt Irrigation District Main Canal;

EXCEPT that portion of the East half of the East half of Section 23, Township 1 North, Range 4 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, which lies Northerly of the Roosevelt Irrigation District Main Canal and Easterly of the following described line;

BEGINNING at a point on the North line of said Section 23, from which point the Northeast corner thereof bears South 89 degrees 46 minutes 57 seconds East 414.32 feet;

thence South 0 degrees 38 minutes 10 seconds East 2379.77 feet;

thence South 0 degrees 09 minutes 31 seconds East 600.02 feet;

thence South 4 degrees 36 minutes 05 seconds West 1205.03 feet;

thence South 7 degrees 36 minutes 51 seconds West 404.18 feet to the Point of Ending; and

EXCEPT a parcel of land described as BEGINNING at the Southwest corner of the Northwest quarter of the Northeast quarter of Section 23, Township 1 North, Range 4 West, which is the POINT OF BEGINNING;

thence East 1320 feet;

thence South 330 feet;

thence Southwest to a point 330 feet North of the Southwest quarter corner;

thence North 990 feet to the POINT OF BEGINNING; and

EXCEPT that portion of land starting at a point 414.32 feet West of the Northeast corner of the South half of the Northeast quarter of Section 23, Township 1 North, Range 4 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

thence 905.68 feet West to a point which is the Southwest corner of the Northeast quarter of the Northeast quarter;

thence South 330 feet;

thence Northeast to the POINT OF BEGINNING.

PARCEL NO. 14:

That part of the Southeast quarter of the Southwest quarter of Section 23, Township 1 North, Range 4 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, lying North of the right-of-way of the Main Canal of the Roosevelt Irrigation District.

PARCEL NO. 16:

The South half of the South half of the Southeast quarter of the Northwest quarter of Section 23, Township 1 North, Range 4 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

PARCEL NO. 17:

That part of the Northwest quarter of Section 26, Township 1 North, Range 4 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, lying North of the right-of-way of the Roosevelt Irrigation District Main Canal.

PARCEL NO. 18:

That portion of the Southwest quarter of Section 18, Township 1 North, Range 3 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, described as follows:

BEGINNING at the Southwest corner of said Section 18;

thence North along the West Section line of said Section 18, a distance of 300 feet to a point;

thence Southeasterly to a point 300 feet East of the West Section line of said Section 18 and 200 feet North of the South Section line of said Section 18;

thence Southeasterly to a point on the South Section line of said Section 18, a distance of 900 feet East from the Southwest corner of said Section 18;

thence Westerly along the South Section line of said Section 18 to the POINT OF BEGINNING.

EXCEPT that portion described as follows:

A parcel of land situate in a portion of the southeast quarter of section 13, township 1 north, range 4 west and a portion of the southwest quarter of section 18, township 1 north, range 3 west of the Gila and Salt River Base and Meridian, Maricopa county, Arizona, more particularly described as follows:

Commencing at the southeast corner of said section 13, monumented by a nail at a bent rebar, from which the east quarter corner of said section 13, monumented by a spike in concrete, bears as a basis of bearings north  $00^{\circ}07'56''$  east, a distance of 2640.51 feet;

Thence north  $00^{\circ}07'56''$  east, along the easterly line of the southeast quarter of said section 13, a distance of 294.37 feet to the true point of beginning;

Thence north  $80^{\circ}11'12''$  west, a distance of 466.65 feet;

thence north  $00^{\circ}07'56''$  east, along a line parallel with and 460.00 feet westerly of the easterly line of the southeast quarter of said section 13, a distance of 382.62 feet;

Thence south  $89^{\circ}52'04''$  east, a distance of 460.00 feet to a point lying on the easterly line of the southeast quarter of said section 13;

Thence continuing south  $89^{\circ}52'04''$  east, a distance of 100.00 feet;

Thence south  $00^{\circ}07'56''$  west, along a line parallel with and 100.00 feet easterly of the westerly line of the southwest quarter of said section 18, a distance of 478.15 feet;

Thence north  $80^{\circ}11'12''$  west, a distance of 101.44 feet to the true point of beginning.

PARCEL NO. 19:

The North half of the Southeast quarter lying North of the Roosevelt Irrigation District Main Canal of Section 24, Township 1 North, Range 4 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

PARCEL NO. 20:

Lot 3 (sometimes described as the Northwest quarter of the Southwest quarter) of Section 18, Township 1 North, Range 3 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, according to the Official Plat of the Survey of said land on file in the General Land Office:

EXCEPT that portion of Lot 3, Section 18, Township 1 North, Range 3 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, which lies Northerly of the following described line:

BEGINNING at a point on the West line of Section 18, which point bears South 0 degrees 11 minutes 32 seconds East 159.55 feet from the West quarter corner of said Section 18;

thence from a local tangent bearing of North 74 degrees 45 minutes 19 seconds East along the arc of a curve to the left, having a radius of 11,613.16 feet, a distance of 1000.00 feet to the point of ending.

PARCEL NO. 21:

Lot 4 (sometimes described as the Southwest quarter of the Southwest quarter) of Section 18, Township 1 North, Range 3 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, according to the Official Plat of the Survey of said land on file in the General Land Office:

EXCEPT that portion described as follows:

BEGINNING at the Southwest corner of said Section 18;

thence North along the West section line of said Section 18, a distance of 300 feet to a point;

thence Southeasterly to a point 300 feet East of the West section line of said Section 18 and 200 feet North of the South section line of said Section 18;

thence Southeasterly to a point on the South section line of said Section 18, a distance of 900 feet East from the Southwest corner of said Section 18;

thence Westerly along the South section line to the POINT OF BEGINNING.

AND EXCEPT that portion described as follows:

A parcel of land situate in a portion of the southeast quarter of section 13, township 1 north, range 4 west and a portion of the southwest quarter of section 18, township 1 north, range 3 west of the Gila and Salt River Base and Meridian, Maricopa county, Arizona, more particularly described as follows:

Commencing at the southeast corner of said section 13, monumented by a nail at a bent rebar, from which the east quarter corner of said section 13, monumented by a spike in concrete, bears as a basis of bearings north 00°07'56" east, a distance of 2640.51 feet;

Thence north 00°07'56" east, along the easterly line of the southeast quarter of said section 13, a distance of 294.37 feet to the true point of beginning;

Thence north 80°11'12" west, a distance of 466.65 feet;

Thence north 00°07'56" east, along a line parallel with and 460.00 feet westerly of the easterly line of the southeast quarter of said section 13, a distance of 382.62 feet;

Thence south 89°52'04" east, a distance of 460.00 feet to a point lying on the easterly line of the southeast quarter of said section 13;

Thence continuing south 89°52'04" east, a distance of 100.00 feet;

Thence south 00°07'56" west, along a line parallel with and 100.00 feet easterly of the westerly line of the southwest quarter of said section 18, a distance of 478.15 feet;

Thence north 80°11'12" west, a distance of 101.44 feet to the true point of beginning.

PARCEL NO. 22:

The Southeast quarter of the Southwest quarter of Section 18, Township 1 North, Range 3 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

EXCEPTING FROM PARCELS 20, 21 AND 22 ABOVE, ANY PORTION LYING WITHIN THE FOLLOWING TRACTS:

TRACT A:

A parcel of land situate in a portion of the Southwest quarter of Section 18, Township 1 North, Range 3 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

COMMENCING at the West quarter corner of said Section 18 from which the Southwest corner of said Section 18 bears South 00 degrees 07 minutes 56 seconds West, a distance of 2640.51 feet;

thence South 00 degrees 07 minutes 56 seconds West, along the West line of said Section 18, a distance of 162.66 feet to the TRUE POINT OF BEGINNING also being the beginning of a non-tangent curve, concave Northwesterly, whose radius point bears North 14 degrees 55 minutes 45 seconds West, a distance of 11,613.16 feet;

thence Northeasterly along said curve to the left, through a central angle of 02 degrees 47 minutes 10 seconds, an arc distance of 564.71 feet to a point of non-tangency;

thence South 89 degrees 34 minutes 50 seconds East, along the Northerly line of the Southwest quarter of said Section 18, a distance of 760.65 feet;

thence South 00 degrees 08 minutes 40 seconds West, a distance of 120.00 feet;

thence North 89 degrees 34 minutes 50 seconds West, along a line parallel with and 120.00 feet Southerly of the Northerly line of the Southwest quarter of said Section 18, a distance of 581.19 feet to the beginning of a tangent curve, concave Southeasterly, whose radius point bears South 00 degrees 25 minutes 10 seconds West, a distance of 1035.00 feet;

thence Southwesterly along said curve to the left, through a central angle of 17 degrees 17 minutes 19 seconds, an arc distance of 312.30 feet to the beginning of a tangent reverse curve, concave Northwesterly, whose radius point bears North 16 degrees 52 minutes 09 seconds West, a distance of 11,733.16 feet;

thence Southwesterly along said curve to the right, through a central angle of 02 degrees 05 minutes 52 seconds, an arc distance of 429.59 feet to a point of non-tangency and to a point on the West line of the Southwest quarter of said Section 18;

thence North 00 degrees 07 minutes 56 seconds East, along the West line of said Section 18, a distance of 124.22 feet to the TRUE POINT OF BEGINNING.

TRACT B:

A parcel of land situate in a portion of the Southwest quarter of Section 18, Township 1 North, Range 3 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

BEGINNING at the South quarter corner of said Section 18 from which the center of said Section 18 bears North 00 degrees 09 minutes 36 seconds East, a distance of 2633.09 feet;

thence North 89 degrees 50 minutes 22 seconds West, along the Southerly line of said Section 18, a distance of 30.00 feet;

thence North 00 degrees 09 minutes 38 seconds East, along a line parallel with and 30.00 feet Westerly of the Easterly line of the Southwest quarter of said Section 18, a distance of 1191.64 feet;

thence North 89 degrees 39 minutes 42 seconds West, a distance of 325.00 feet;

thence South 00 degrees 09 minutes 38 seconds West, along a line parallel with and 355.00 feet Westerly of the Easterly line of the Southwest quarter of said Section 18, a distance of 205.00 feet;

thence North 89 degrees 39 minutes 42 seconds West, a distance of 230.00 feet;

thence North 00 degrees 09 minutes 38 seconds East, along a line parallel with and 585.00 feet Westerly of the Easterly line of the Southwest quarter of said Section 18, a distance of 100.00 feet;

thence North 89 degrees 39 minutes 42 seconds West, a distance of 502.25 feet;

thence North 00 degrees 09 minutes 38 seconds East, along a line parallel with and 1087.25 feet Westerly of the Easterly line of the Southwest quarter of said Section 18, a distance of 115.00 feet;

thence North 89 degrees 39 minutes 42 seconds West, a distance of 390.06 feet;

thence North 00 degrees 07 minutes 56 seconds East, a distance of 115.39 feet to the beginning of a non-tangent curve, concave Northwesterly, whose radius point bears North 62 degrees 19 minutes 48 seconds West, a distance of 420.00 feet;

thence Northeasterly along said curve to the left, through a central angle of 04 degrees 33 minutes 30 seconds, an arc distance of 33.41 feet to a point of non-tangency;

thence South 77 degrees 35 minutes 47 seconds East, a distance of 146.64 feet;

thence South 89 degrees 39 minutes 42 seconds East, a distance of 1319.83 feet to a point lying on the Easterly line of the Southwest quarter of said Section 18;

thence South 00 degrees 09 minutes 38 seconds West, along said Easterly line, a distance of 1316.55 feet to the POINT OF BEGINNING.

PARCEL NO. 23:

A parcel of land situate in the West half of Section 19, Township 1 North, Range 3 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

COMMENCING at the South quarter corner of said Section 19, from which the Southwest corner of said Section 19 bears North 89 degrees 20 minutes 11 seconds West, a distance of 2651.09 feet;

thence North 00 degrees 08 minutes 02 seconds West, along the North-South mid-section line of said Section 19, a distance of 2213.07 feet to the TRUE POINT OF BEGINNING;

thence South 88 degrees 35 minutes 58 seconds West, along the Northerly right-of-way line of the Roosevelt Irrigation District Canal, a distance of 733.47 feet to the beginning of a tangent curve concave Northerly, whose radius point bears North 01 degrees 24 minutes 02 seconds West, a distance of 1220.00 feet;

thence Westerly along said curve to the right and said Northerly right-of-way line, through a central angle of 11 degrees 11 minutes 40 seconds, an arc distance of 238.36 feet to a point of tangency;

thence North 80 degrees 12 minutes 22 seconds West along said Northerly right-of-way line, a distance of 1592.73 feet;

thence North 00 degrees 01 minutes 12 seconds West, a distance of 908.29 feet;

thence South 80 degrees 12 minutes 20 seconds East, a distance of 436.15 feet to the beginning of a tangent curve concave Northerly, whose radius point bears North 09 degrees 47 minutes 41 seconds East, a distance of 1010.00 feet;

thence Easterly and Northeasterly along said curve to the left, through a central angle of 46 degrees 33 minutes 26 seconds, an arc distance of 820.70 feet to the beginning of a compound curve concave Northwesterly, whose radius point bears North 36 degrees 45 minutes 45 seconds West, a distance of 50.00 feet;

thence Northeasterly and Northerly, along said curve to the left, through a central angle of 62 degrees 14 minutes 43 seconds, an arc distance of 54.32 feet to the beginning of a reverse curve concave Southeasterly, whose radius point bears North 80 degrees 59 minutes 32 seconds East, a distance of 120.00 feet;

thence Northerly, Northeasterly, and Easterly, along said curve to the right, through a central angle of 108 degrees 00 minutes 56 seconds, an arc distance of 226.23 feet to the beginning of a reverse curve concave Northerly, whose radius point bears North 09 degrees 00 minutes 28 seconds East, a distance of 50.00 feet;

thence Easterly and Northeasterly along said curve to the left, through a central angle of 62 degrees 14 minutes 43 seconds, an arc distance of 54.32 feet to the beginning of a compound curve concave Northwesterly, whose radius point bears North 53 degrees 14 minutes 15 seconds West, a distance of 1010.00 feet;

thence Northeasterly along said curve to the left, through a central angle of 20 degrees 10 minutes 11 seconds, an arc distance of 355.55 feet to a point of non-tangency;

thence North 89 degrees 51 minutes 58 seconds East, a distance of 966.65 feet to a point on the North-South mid-section line of said Section 19;

thence South 00 degrees 08 minutes 02 seconds East, along said North-South mid-section line, a distance of 1813.64 feet to the TRUE POINT OF BEGINNING.

PARCEL NO. 25:

A parcel of land situate in a portion of the Southwest quarter of Section 18, Township 1 North, Range 3 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

COMMENCING at the West quarter corner of said Section 18 from which the Southwest corner of said Section 18 bears South 00 degrees 07 minutes 56 seconds West, a distance of 2640.51 feet;

thence South 00 degrees 07 minutes 56 seconds West, along the West line of said Section 18, a distance of 162.66 feet to the TRUE POINT OF BEGINNING also being the beginning of a non-tangent curve, concave Northwesterly, whose radius point bears North 14 degrees 55 minutes 45 seconds West, a distance of 11,613.16 feet;

thence Northeasterly along said curve to the left, through a central angle of 02 degrees 47 minutes 10 seconds, an arc distance of 564.71 feet to a point of non-tangency;

thence South 89 degrees 34 minutes 50 seconds East, along the Northerly line of the Southwest quarter of said Section 18, a distance of 760.65 feet;

thence South 00 degrees 08 minutes 40 seconds West, a distance of 120.00 feet;

thence North 89 degrees 34 minutes 50 seconds West, along a line parallel with and 120.00 feet Southerly of the Northerly line of the Southwest quarter of said Section 18, a distance of 581.19 feet to the beginning of a tangent curve, concave Southeasterly, whose radius point bears South 00 degrees 25 minutes 10 seconds West, a distance of 1035.00 feet;

thence Southwesterly along said curve to the left, through a central angle of 17 degrees 17 minutes 19 seconds, an arc distance of 312.30 feet to the beginning of a tangent reverse curve, concave Northwesterly, whose radius point bears North 16 degrees 52 minutes 09 seconds West, a distance of 11,733.16 feet;

thence Southwesterly along said curve to the right, through a central angle of 02 degrees 05 minutes 52 seconds, an arc distance of 429.59 feet to a point of non-tangency and to a point on the West line of the Southwest quarter of said Section 18;

thence North 00 degrees 07 minutes 56 seconds East, along the West line of said Section 18, a distance of 124.22 feet to the TRUE POINT OF BEGINNING.

PARCEL NO. 26:

A parcel of land situate in a portion of the Southwest quarter of Section 18, Township 1 North, Range 3 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

BEGINNING at the South quarter corner of said Section 18 from which the center of said Section 18

bears North 00 degrees 09 minutes 36 seconds East, a distance of 2633.09 feet;

thence North 89 degrees 50 minutes 22 seconds West, along the Southerly line of said Section 18, a distance of 30.00 feet;

thence North 00 degrees 09 minutes 38 seconds East, along a line parallel with and 30.00 feet Westerly of the Easterly line of the Southwest quarter of said Section 18, a distance of 1191.64 feet;

thence North 89 degrees 39 minutes 42 seconds West, a distance of 325.00 feet;

thence South 00 degrees 09 minutes 38 seconds West, along a line parallel with and 355.00 feet Westerly of the Easterly line of the Southwest quarter of said Section 18, a distance of 205.00 feet;

thence North 89 degrees 39 minutes 42 seconds West, a distance of 230.00 feet;

thence North 00 degrees 09 minutes 38 seconds East, along a line parallel with and 585.00 feet Westerly of the Easterly line of the Southwest quarter of said Section 18, a distance of 100.00 feet;

thence North 89 degrees 39 minutes 42 seconds West, a distance of 502.25 feet;

thence North 00 degrees 09 minutes 38 seconds East, along a line parallel with and 1087.25 feet Westerly of the Easterly line of the Southwest quarter of said Section 18, a distance of 115.00 feet;

thence North 89 degrees 39 minutes 42 seconds West, a distance of 390.06 feet;

thence North 00 degrees 07 minutes 56 seconds East, a distance of 115.39 feet to the beginning of a non-tangent curve, concave Northwesterly, whose radius point bears North 62 degrees 19 minutes 48 seconds West, a distance of 420.00 feet;

thence Northeasterly along said curve to the left, through a central angle of 04 degrees 33 minutes 30 seconds, an arc distance of 33.41 feet to a point of non-tangency;

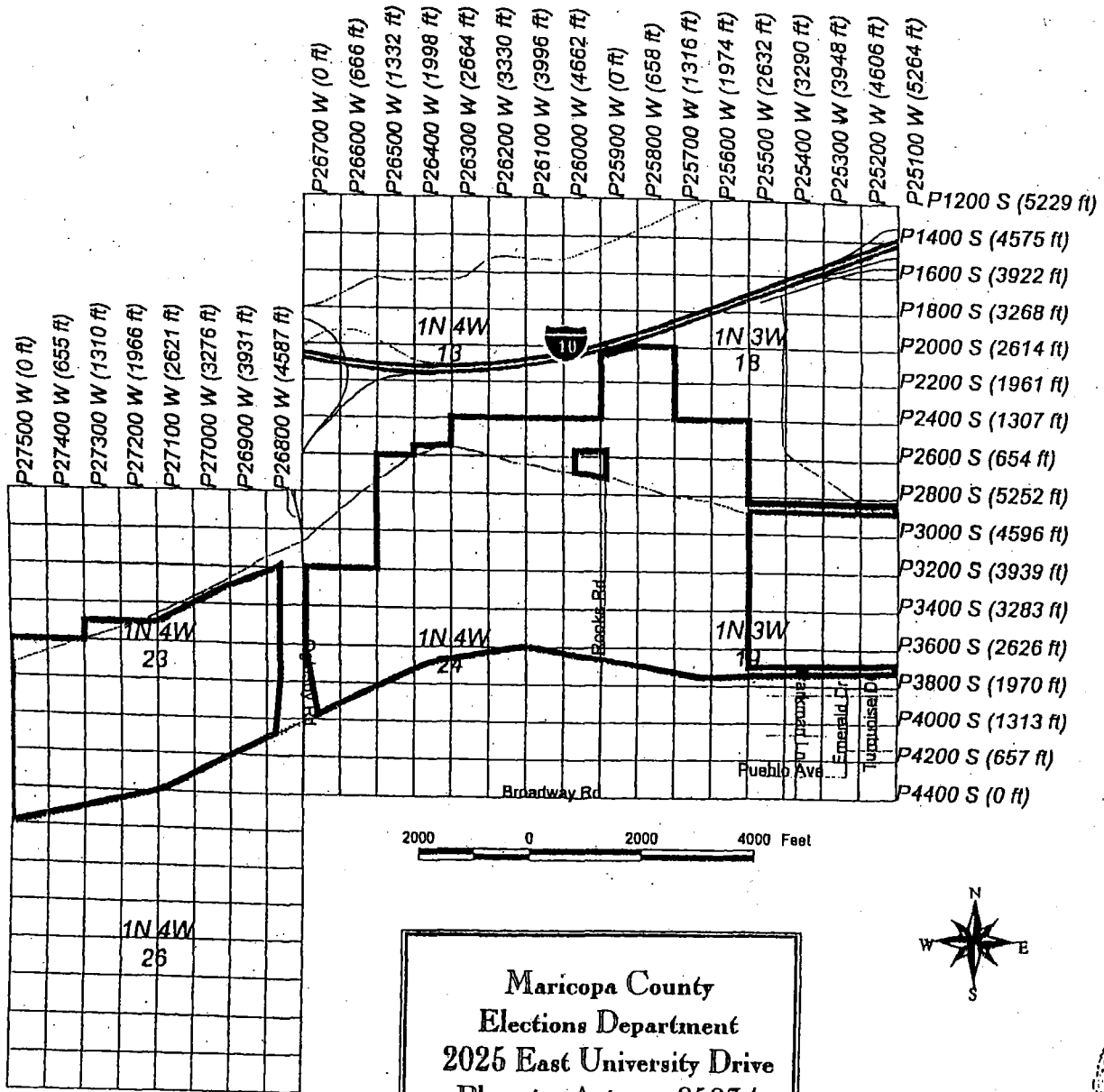
thence South 77 degrees 35 minutes 47 seconds East, a distance of 146.64 feet;

thence South 89 degrees 39 minutes 42 seconds East, a distance of 1319.83 feet to a point lying on the Easterly line of the Southwest quarter of said Section 18;

thence South 00 degrees 09 minutes 38 seconds West, along said Easterly line, a distance of 1316.55 feet to the POINT OF BEGINNING.

# Wespark Community Facilities District (D76)

- P2800 S (5325 ft)
- P3000 S (4659 ft)
- P3200 S (3994 ft)
- P3400 S (3328 ft)
- P3600 S (2662 ft)
- P3800 S (1997 ft)
- P4000 S (1331 ft)
- P4200 S (666 ft)
- P4400 S (0 ft)
- P4600 S (4521 ft)
- P4800 S (3875 ft)
- P5000 S (3230 ft)
- P5200 S (2584 ft)
- P5400 S (1938 ft)
- P5600 S (1292 ft)
- P5800 S (646 ft)
- P6000 S (0 ft)



2000 0 2000 4000 Feet

Maricopa County  
 Elections Department  
 2025 East University Drive  
 Phoenix, Arizona 85034



**EXHIBIT B**

**FORM OF CERTIFICATE OF ENGINEERS FOR  
CONVEYANCE OF SEGMENT OF PROJECT**

**CERTIFICATE OF ENGINEERS FOR CONVEYANCE OF SEGMENT OF PROJECT**

(Insert description of Project/Segment)

STATE OF ARIZONA )  
COUNTY OF MARICOPA )  
TOWN OF BUCKEYE )  
\_\_\_\_\_)  
COMMUNITY FACILITIES DISTRICT )  
(Buckeye, Arizona)

We the undersigned, being Professional Engineers in the State of Arizona and, respectively, the duly appointed District Engineer for \_\_\_\_\_ Community Facilities District (the "District"), and the engineer employed by \_\_\_\_\_ (the "Developer"), each hereby certify for purposes of the District Development, Financing Participation and Intergovernmental Agreement No. 1 \_\_\_\_\_ Community Facilities District (Buckeye, Arizona), dated as of \_\_\_\_\_, 2003 (the "Agreement"), by and among the District, the Town of Buckeye, Arizona (the "Municipality") and the Developer that:

1. The Segment indicated above has been performed in every detail pursuant to the Plans and Specifications (as such term and all of the other initially capitalized terms in this Certificate are defined in the Agreement) and the Contract (as modified by any change orders permitted by the Agreement) for such Segment.

2. The Segment Price as publicly bid and including the cost of approved change orders for such Segment is \$\_\_\_\_\_.

3. The Developer provided for compliance with the requirements for public bidding for such Segment as required by the Agreement (including, particularly but not by way of limitation, Title 34, Chapter 2, Article 1, Arizona Revised Statutes, as amended) in connection with award of the Contract for such Segment.

4. The Developer filed all construction plans, specifications, contract documents, and supporting engineering data for the construction or installation of such Segment with the Municipality.

5. The Developer obtained good and sufficient performance and payment bonds in connection with such Contract.

DATED AND SEALED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, \_\_\_\_\_.

By \_\_\_\_\_  
District Engineer

By \_\_\_\_\_  
Engineer for the Developer  
[P.E. SEAL]  
[Confirmed for purposes of Sections 1.5,  
2.3, 3.2 of the Development Agreement by

\_\_\_\_\_  
District Manager, \_\_\_\_\_  
Community Facilities District]

**EXHIBIT C**

**FORM OF CONVEYANCE OF  
SEGMENT OF PROJECT**

(Insert description of Project/Segment)

STATE OF ARIZONA )  
COUNTY OF MARICOPA )  
TOWN OF BUCKEYE )  
\_\_\_\_\_)  
COMMUNITY FACILITIES DISTRICT )

**KNOW ALL MEN BY THESE PRESENTS THAT:**

\_\_\_\_\_, an Arizona \_\_\_\_\_ (the "Developer"), for good and valuable consideration received by the Developer \_\_\_\_\_ Community Facilities District, a community facilities district formed by the Town of Buckeye, Arizona (the "Municipality"), and duly organized and validly existing pursuant to the laws of the State of Arizona (the "District"), receipt of which is hereby acknowledged [, and the promise of the District to hereafter pay the amounts described in the hereinafter described Development Agreement\*], does by these presents grant, bargain, sell and convey to the District, its successors and assigns, all right, title and interest in and to the following described property, being the subject of a District Development, Financing Participation and Intergovernmental Agreement No. 1 (\_\_\_\_\_ Community Facilities District), dated as of \_\_\_\_\_, 2003, by and among the Developer, the Municipality and the District and more completely described in such Development Agreement:

[Insert description of Project/Segment]

together with any and all benefits, including warranties and performance and payment bonds, under the applicable Contract (as such term is described in such Development Agreement) or relating thereto, all of which are or shall be located within public rights-of-way, public utility or other public easements dedicated or to be dedicated by plat or otherwise free and clear of any and all liens, easements, restrictions, conditions, or encumbrances affecting the same [, such subsequent dedications not affecting the promise of the District to hereafter pay the amount described in such Development Agreement\*], but subject to all reservations in patents, and all easements, rights-of-way, encumbrances, liens, covenants, conditions, restrictions, obligations and liabilities or other matters as set forth on Schedule I hereto.

\_\_\_\_\_  
\*Insert with respect to any acquisition financed pursuant to Section 5.1(a) hereof including for any amounts remaining and eligible for reimbursement.

**TO HAVE AND TO HOLD** the above-described property, together with all and singular the rights and appurtenances hereunto in anywise belonging, including all necessary rights of ingress, egress, and regress, subject, however, to the above-described exception(s) and reservation(s), unto the [District or Municipality], its successors and assigns, forever; and the Developer does hereby bind itself, its successors and assigns to warrant and forever defend, all and singular, the above-described property, subject to such exception(s) and reservation(s), unto the [District or Municipality], its successors and assigns, against the acts of all others.

The Developer binds and obligates itself, its successors and assigns, to execute and deliver at the request of the District any other or additional instruments of transfer, bills of sale, conveyances, or other instruments or documents which may be necessary or desirable to evidence more completely or to perfect the transfer to the [District or Municipality] of the above-described property, subject to the exception(s) and reservation(s) hereinabove provided.

This conveyance is made pursuant to such Development Agreement, and the Developer hereby agrees that the amounts specified above and paid [or promised to be paid] to the Developer hereunder satisfy in full the obligations of the District under such Development Agreement and hereby releases the District from any further responsibility to make payment to the Developer under such Development Agreement.

The Developer, in addition to the other representations and warranties herein, specifically makes the following representations and warranties:

1. The Developer has the full legal right and authority to make the sale, transfer, and assignment herein provided.
2. The Developer is not a party to any written or oral contract which adversely affects this Conveyance.
3. The Developer is not subject to any bylaw, agreement, mortgage, lien, lease, instrument, order, judgment, decree, or other restriction of any kind or character which would prevent the execution of this Conveyance.
4. The Developer is not engaged in or threatened with any legal action or proceeding, nor is it under any investigation, which prevents the execution of this Conveyance.
5. The person executing this Conveyance on behalf of the Developer has full authority to do so, and no further official action need be taken by the Developer to validate this Conveyance.
6. The facilities conveyed hereunder are all located within property owned by the Developer, public rights-of-way, or public utility or other public easements dedicated or to be dedicated by plat or otherwise.

IN WITNESS WHEREOF, the Developer has caused this Conveyance to be executed and delivered this \_\_\_\_\_ day of \_\_\_\_\_, 2003.

\_\_\_\_\_

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

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

STATE OF ARIZONA     )  
  )  
COUNTY OF MARICOPA )

This instrument was acknowledged before me on \_\_\_\_\_, 2003, by \_\_\_\_\_, of \_\_\_\_\_, an Arizona \_\_\_\_\_, on behalf of said company.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
Typed/Printed Name of Notary  
My Commission Expires: \_\_\_\_\_

[NOTARY SEAL]

**SCHEDULE I  
TO  
CONVEYANCE OF SEGMENT OF PROJECT**

(Insert all exceptions and reservations to the Conveyance)

**EXHIBIT D**

**FORM OF DISCLOSURE PAMPHLET**

---

**FACILITIES DISTRICT  
DISCLOSURE STATEMENT**

Buyer(s) \_\_\_\_\_  
Parcel \_\_\_\_\_  
Lot \_\_\_\_\_  
Homebuilder \_\_\_\_\_

**General CFD Provisions**

The home you are purchasing is within the \_\_\_\_\_ Community Facilities District (the "CFD"), which was formed on \_\_\_\_\_. The CFD was created to finance the acquisition, construction and maintenance of public infrastructure benefiting \_\_\_\_\_. The cost of acquisition and construction of these improvements is paid for by general obligation and/or special assessment bonds issued by the CFD. The operation and maintenance expenses are paid from an ad valorem property tax levied against all property located within the CFD.

**Ad Valorem Taxes of the CFD**

General obligation bonds and the CFD operation and maintenance expenses are paid from ad valorem property taxes. It is currently estimated that payment of the general obligation bonds and the CFD expenses will add approximately \$ \_\_\_\_\_ to the property tax rate; however, such tax rate increase could vary depending upon factors including the financing amount and terms, and the amount of the assessed valuation of property within the CFD for tax purposes. Payment of general obligation bonds and expenses are included as part of your regular Maricopa County property tax statement and are in addition to taxes levied by the Town of Buckeye and other political subdivisions.

**Special Assessments of the CFD**

Special assessment bonds are paid from special assessment payments secured by a special assessment lien on each benefited lot. Special assessment liens pertaining to construction of the initial public infrastructure for \_\_\_\_\_ are estimated to range from \$ \_\_\_\_\_ to \$ \_\_\_\_\_ per benefited residential lot (current dollars). Special assessment liens vary depending upon the size of the lot, benefits estimated to be received by each lot, the public improvements to be financed, and the financing terms of each special assessment bond. Bills for the repayment of the special assessment bonds as well as the applicable administrative charges are sent out twice a year and are billed separately from your regular Maricopa County property tax bill.

Example of Financings' Costs to Developer

Based on the developer's proposed financing plan for the CFD during the first \_\_\_\_\_ years, the following is an illustration of the estimated annual CFD taxes as they related to the repayment of CFD general obligation bonds and CFD Maintenance and Operation expenses as well as a special assessment lien of \$ \_\_\_\_\_ that is collected to pay the anticipated CFD special assessment bonds.

Home Sales Price	(A) Estimated General Obligation and Expense Payment (1)	(B) Estimated Special Assessment Payment (2)	(A) & (B) Estimated Total CFD Tax Payments	Estimated Special Assessment Lien Amount
\$130,000	\$	\$	\$	\$
\$150,000	\$	\$	\$	\$
\$175,000	\$	\$	\$	\$
\$220,000	\$	\$	\$	\$

Footnotes

- (1) Represents the repayment of CFD general obligation bond indebtedness and CFD expenses based upon a \$ \_\_\_\_\_ increase in the ad valorem property tax rate.
- (2) Represents the repayment of special assessment bonds assuming a \$ \_\_\_\_\_ per lot special assessment lien. Special assessment bond terms assume a \_\_\_\_\_% interest rate, \_\_\_\_\_-year amortization period, one year of capitalized interest, 10% reserve fund and \_\_\_\_\_% cost of issuance expenses. To the extent that the bond terms vary from these assumptions, the payment amount will fluctuate. This figure does not include any administrative charges which may be charged by the District and/or third party administrators if any.

All of the taxes and charges described above are in addition to any taxes, fees and charges imposed by the Town of Buckeye, other political subdivisions and in addition to any assessments or fees imposed by any Developers association.

Your signature below acknowledges that you have received and read this disclosure at the time you have signed our purchase contract.

[SIGNATURE PAGE TO FOLLOW]

---

[name]

---

[address]

---

[name]

---

[address]